

# **OPTIONS FOR REGIONAL INTEGRATION IN SOUTHERN AFRICA**

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### **SUMMARY**

The Southern African Development Community (SADC) had at its inception a strong anti-apartheid political orientation. From 1992, economic cooperation has been based on 'efficiency, economy and competitiveness'. In 1996 SADC Protocol on Trade Co-operation for the creation of a Free Trade Area (FTA) was agreed and the ratification process is almost complete.

Realisation of the full benefits of the FTA requires rule-based system institutional arrangements. The institutional reform that could deliver a workable FTA is demanding. Moreover, the FTA, or more accurately the 'intended' FTA, requires the application of strict rules of origin to succeed. Given the weak administrative capacity of the member countries, it is likely that the 'intended' FTA would, in practice, operate like a Customs Union with the Common External Tariff based on the lowest tariff rates prevailing for each commodity amongst member states (CUmin). Against the forces moving for regional economic integration, there are power forces from the international community leading towards unilateral freer trade, and ultimately Free Trade (FT). These circumstances provide a rich background for exploring the options for regional integration.

The central questions addressed in this paper are:

- What are the impact effects of the different routes towards regional integration in Southern Africa, the 'intended' FTA, the CUmin or FT?
- Does trade creation dominate trade diversion under the 'intended' FTA? Is there trade diversion under a CUmin?
- What are the possible terms of trade consequences of the different forms of regional integration?
- What are the likely dynamic consequences of the different forms of regional integration?

Impact effects were calculated for a 'intended' FTA, a CUmin and Free Trade (FT) using a 37 sector Computable General Equilibrium (CGE) model. The paper concludes that a rapid move from an 'intended but failed' FTA to an explicit CUmin offers many advantages to SADC. The CUmin strong impact effects for SADC. Further, with the development of successful rule-based institutions under the CUmin option, the

opportunities for dynamic long-run gains from deep integration are likely to be considerable, without carrying some of the risks associated with FT.

This paper only marks a beginning of policy relevant research that can be informed by a CGE model of SADC. This suggests that there is likely to be a high pay-off to further development of economic policy modelling of the southern African region. Such work can only complement both case studies and political economy research on micro and institutional aspects of the path towards regional integration.

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## **1 THE POLITICAL AND ECONOMIC BACKGROUND**

The Southern African Development Co-ordination Conference (SADCC) and its successor, the SADC had a strong anti-apartheid political orientation driven by the posture of the member states. Economic co-operation was based on a sectoral approach. The Windhoek Treaty of 1992 changed the basis of economic co-operation to allow for 'efficiency, economy and competitiveness'. This shift led to the 1996 SADC Protocol on Trade Co-operation for the creation of a FTA.

In terms of economic conditions, the SADC countries are an extremely heterogeneous group. This can be seen from Table 1 below. The gross domestic product (GDP) per capita ranges roughly 20:1 from richest to poorest. In terms of economic size, the range is nearly 100:1. GDP growth performance over the last 20 years varied considerably, but some SADC countries had a surprisingly good record of economic management, measured in terms of the average rate of inflation, and in terms of poverty reduction and human development. A significant characteristic of the SADC region is the historically high level of trade barriers. Whilst there has been a considerable lowering of protection in the SADC region in the 1990s, there are still significant barriers to trade. Thus, the basis exists for the first steps to be taken towards regional integration around the mutual reduction of trade barriers.

The two sets of estimates of average tariffs reflect the fact that several SADC countries underwent World Bank/IMF Structural Adjustment Programmes or SAPs during the 1990s. Thus, there was an overall fall in the average tariffs from 15.1% to 9.3% from the early 1990s to the most recent estimates. Although this decline in the average tariffs was relatively large, the height of the tariffs that prevailed prior to the FTA are nevertheless substantial, particularly in the SACU countries, Mozambique, Tanzania, Zambia and Zimbabwe. As expected, the smaller countries have a larger GDP to trade ratio. The direction of trade statistics show the SADC shares of imports and exports vary greatly from country to country. Thus, the direction of trade, the height of tariffs, the sectoral structure of each economy, and the level of per capita GDP interact in a complex way in influencing the effects of the FTA. An overall picture of the trade flows within SADC can be seen from the last four columns of Table 1 showing the overall magnitude of the trade flows and direction of the intra SADC trade compared with the Rest of the World.

## **2 THE INSTITUTIONAL FRAMEWORK FOR REGIONAL INTEGRATION**

SADC has committed itself to an ambitious project of regional integration. The completion of this task will cost SADC members a lot in terms of effort, loss of sovereignty and economic adjustment. Equally, the costs of non-integration, that is the costs of not ceasing this historical opportunity for greater regional integration, would potentially be high. They lie not only in foregoing all the gains from the agreed FTA, but also in a loss of credibility should the agreed FTA fail and in the sacrifice of an opportunity to go further to a full CU

The SADC Trade Protocol as it stands embodies a limited ambition, but a FTA requires a rule-based system to succeed. Otherwise, producers, traders and consumers will not be willing to take the FTA seriously. If economic actors in the region are to plan their economic activities to take advantage of the

**Table 1.: GDP per capita, Tariffs and the Direction of Trade in 12 SADC Countries**

	GDP per capita \$USm current 1991-3 avg.	Tariffs Early 1990s Average %	Tariffs Most recent Average %	Imports to GDP ratio 1991-3 %	SADC share Imports 1991-3 %	Exports to GDP ratio 1991-3 %	SADC share Exports 1991-3 %
Angola	339	11.4	10.8	19.9	13.8	39.6	0.1
Botswana	2651	9.4	11.8	51.8	84.9	51.1	10.5
Lesotho	282	9.4	11.7	163.9	90.4	18.1	45.3
Malawi	204	22.9	20.6	24.5	40.7	23.1	13.3
Mauritius	2418	15.3	22.7	65.4	10.9	56.5	6.3
Mozambique	79	25.5	12.0	73.7	37.2	29.8	6.1
Namibia	1601	9.4	12.6	58.7	89.3	63.9	29.7
RSA	2985	9.4	5.6	12.9	8.1	19.2	27.0
Swaziland	914	9.4	6.3	94.1	93.9	74.3	53.1
Tanzania	161	24.2	19.0	46.5	2.0	20.6	2.2
Zambia	356	29.7	11.4	34.1	42.0	53.5	2.2
Zimbabwe	502	40.3	15.8	39.2	27.9	30.2	32.5
<b>SADC</b>	1103	15.1	9.3	19.6	26.3	24.1	21.4

Note: GDP is measured at factor cost. Estimates are from the World Bank Economic Indicators, 1998. These estimates of GDP differs slightly from earlier estimates used in the model database (see Evans (1998a, Appendix 2)). The latter were retained in the model for consistency reasons. All other data are from the model database described in Appendix 2 and in Evans (1998a, Appendix 2). The early 1990s tariff estimates are from Evans (1997).

opportunities for linkages across the region, they must know that the commitments are real and irreversible. The conditions for institutional reform that could deliver a workable FTA are demanding, and amount to a requirement that inter-state economic relations be governed by codes of law rather than political pressures. This process can be seen as a pooling, rather than as a loss, of sovereignty. If this argument were correct, a failure by SADC to realise the FTA would not just lose the potential benefits of the FTA itself; it would diminish the credibility of commitments made by the region's governments. It would also lose the potential benefits from turning the region into a rule-based entity and the chance to move on towards establishing a CU, or regional co-operation through Open Regionalism or OR. OR may be defined as a process of trade barrier reduction towards regional Freer Trade carried out on the basis of Most Favoured Nation or MFN tariff reductions. Each form of regional integration has a different level of mutual Co-operation, from collaboration on infrastructure projects to establishing common laws and policies governing economic life.

With the possible exception of OR, the alternative forms of regional integration will require an additional element of supra-nationality for SADC, in which member states can gain from the transition to a rule-based economic environment. In each case, estimated costs and benefits of integration have both impact effects and more dynamic consequences that are realised over a longer period of time. Both the impact and dynamic effects are influenced by the global economic environment affecting the access of regional products into world markets, the terms of trade, and the growth of the world economy.

The central questions addressed in this chapter are:

- What are the impact effects of the different routes towards regional integration in Southern Africa?
- What are the possible terms of trade consequences of the different forms of regional integration?
- What are the likely dynamic consequences of the different forms of regional integration?

### 3 TRADE CREATION AND TRADE DIVERSION

At the heart of the analysis of regional integration is the concept of trade creation and trade diversion. Terms of trade effects are also potentially important when regional integration affects the level of exports to the rest of the world (ROW). Thus, regional integration through tariff variation has a total effect that is the sum of trade diversion and trade creation, less any loss of income through adverse terms of trade effects arising from the over-all expansion of trade. In essence,

- **Trade creation** occurs when an economic union leads to the growth of intra union trade that exploits comparative advantage i.e. when the union members experiencing expanded trade have relatively lower costs than ROW suppliers.
- **Trade diversion** takes place when an economic union leads to an expansion in intra-union trade in which the relative costs are higher than those of competitor countries in the ROW. That is, where the expanded intra trade is against comparative advantage.

It follows from the above that the static or impact effect of economic union is to improve members' welfare when trade creation outweighs trade diversion. This statement is qualified in three important ways. First, when the trade expansion worsens the terms of trade of members of the economic union, the union could lower welfare, even when the benefits from trade creation outweighs the losses from trade diversion. Second, the welfare of a CU is dependent on the height of the common external tariff. A CU that is predominantly trade diverting, and therefore welfare worsening can, by appropriate choice of the common external tariff, be transformed into a gainful and predominantly trade creating CU. Finally, regional integration involves possible dynamic benefits, many of which are difficult to quantify. The empirical results reported focus on the impact effects with qualitative and back-of-the-envelope estimates of some possible dynamic effects added in an ad hoc manner.

#### 4 THE OPTIONS FOR REGIONAL INTEGRATION

In principle, there are three basic options to consider:

- **Free Trade Area (FTA).** This applies when existing tariff structures applicable to non-member countries or the ROW are maintained as SADC moves towards FT within the group. Typically, rules of origin have to be applied to a FTA to prevent importation through the country with the lowest tariff for a particular sector.
- **Customs Union (CU).** The central difference between a CU and a FTA is that the CU has a common external tariff, thus dispensing with the need for rules of origin. However, of central importance is the height of the common external tariff. As already noted, the higher the common external tariff, the greater is trade diversion and the greater the chance that the CU will be welfare contracting. Over-all economic gain can always be achieved by setting a low enough common external tariff.
- **Open Regionalism (OR) or FT.** This may be just freer trade achieved by reducing trade barriers on a MFN trading basis. Alternatively, it may be expressed through the ultimate objective of FT. It envisages a bargaining process concentrating initially on co-ordinated MFN trade policy reforms amongst the key member states.

As already noted, a SADC FTA is critically dependent upon the successful operation of the rules of origin, whereby imports into a member state cannot be transhipped through another to realise the benefits of the lowest external tariff for a particular product within the FTA. However, it is likely that the administrative capacity of SADC customs authorities will be very weak. It is therefore unlikely that the rules of origin will be enforceable. If this observation is correct, then a SADC FTA will operate more or less as a CU in which the common external tariff is formed by the lowest tariff on each commodity in each of the member states of the proposed FTA. For simplicity this is called the CU<sub>min</sub>. It is perhaps for this reason that just as ratification of the SADC FTA is about to be completed, moves are being made for a move on to a SADC CU. Thus, there are really two FTAs. The 'intended' FTA is interpreted as if the rules of origin could be strictly



enforced without cost. The 'real' FTA with unenforceable rules of origin will be very much the same as the CUmin that resulted from the application of the minimum tariff on any item for all member countries as the common external tariff for that item. A CUmin would in fact have a low external tariff, an obvious advantage for minimising trade diversion. In the SADC context, FT without co-ordination or negotiation with trading partners is the logical outcome of a trade policy reform process under World Bank Structural Adjustment Programmes (SAPs) or under the World Trade Organisation (WTO). It is therefore appropriate to develop an analytical framework within which the impact effects of each of the options discussed can be modelled. This facilitates the analysis of the effects of each form of regional integration on potential welfare gains and potential dynamic effects.

## **5 METHODOLOGY USED IN THIS STUDY**

The initial work on the impact of the SADC FTA for SADC (Evans (1997)) relied on a simple partial equilibrium model and weak data set. The data set was greatly improved in Evans (1998a), but the earlier partial equilibrium methodology was retained. An extension to a CGE framework was reported in Evans (1998b, 1999b forthcoming), and is also used in this study. The additional data requirements for the CGE version of the model, over and above the partial equilibrium version, were mainly on the demand side, and input/output coefficients. Whilst these data were assembled using strong assumptions, the main structural differences between SADC countries were preserved. Thus, it was judged that the extended data set was adequate for a first general equilibrium exploration of SADC integration.

Over all, the CGE model is based on 12 SADC countries and 37 productive sectors for each country. There were 9 agricultural sectors, a mining sector, one non-traded service sector, and 26 manufacturing and mining sectors. The production and trade data are for the early to mid-1990s, and the tariff data are for the most recent year available. The database is described in Evans (1998a and 1999b).

Some of the key assumptions and structural characteristics built into the general equilibrium model include:

- Armington functions on the import side where the share of imports in total supply of a tradable good is inversely related to the price of imports relative to the price of domestic production. Similarly, imports from within the SADC region and from the ROW are treated as imperfectly substitutable and responsive to relative price changes. It is therefore possible to use the Armington functions to construct a composite import commodity made up of imports from within SADC and from the ROW, and for this composite import to be imperfectly substitutable with import competing production. The composite importable commodity enters into domestic demand in a straightforward manner.
- Perfectly elastic supply of goods in each sector. Where there is excess capacity, both micro assumptions are likely to be good approximations. For agriculture, mining and manufacturing sectors operating close to full capacity, the supply response is likely to be exaggerated in a relative sense compared with what it would be with supply constraints being modelled.

- A mark-up model of domestic cost formation. The mark-up is on wages and intermediate input costs. The model assumes fixed coefficients in production for labour, as well as the more usual assumption of fixed proportions for intermediate inputs.
- A macro expenditure adjustment is made to maintain a full employment at the initial constant wage. Balance of payments equilibrium is maintained via variation of the real exchange rate.
- Government expenditure and investment was held constant, whilst consumer demand and intermediate demand varied through price and income change.
- A micro-based welfare function was constructed, based on an estimate of the consumer surplus change net of estimated intermediate demand less the loss of tariff revenue and the lump sum tax or subsidy required to maintain macro economic balance.
- An attempt was made to estimate SADC price elasticities of demand for exports to the ROW. This exercise was entirely unsatisfactory. Given the underlying weakness of these data, sensitivity tests were carried out.
- Solution of the model was achieved with a Gauss-Seidel iterative procedure.
- Details of the data sources can be found in Evans (1996).

## **6 SPECIFYING THE OPTIONS**

### **6.1 A FTA**

Under the General Agreement on Tariffs and Trade (GATT) Article XXIV, members of the GATT/WTO when forming a FTA are constrained in how the external tariffs are set. They must be set on a MFN basis and the external tariffs and other trade regulations shall not be higher than those existing prior to the FTA. The existing member country tariffs towards ROW countries remain as before, and the intra FTA tariffs are reduced to zero. The rules of origin are required to back up this arrangement, preventing individual economic agents from importing goods into the country with the lowest ROW tariff for that item and trans-shipping within the FTA without further tariff charges. This FTA is also referred to as the 'intended' FTA to allow for the FTA 'actual', where the rules of origin are unenforceable, discussed in section 6.3 below.

### **6.2 Determining the Common External Tariff**

For GATT/WTO members forming a CU under GATT Article XXIV, the external tariffs must also be set on a MFN basis. Further, the common external tariff must not increase. One way of defining the common external tariff for a CU would be to choose for each commodity the highest tariff of the member countries, or CU<sub>max</sub>. However, this method would fall foul of GATT Article XXIV whereby the common external tariff should not increase. A second method of forming the common external tariff would be to average the individual tariff items for the member countries, or CU<sub>avg</sub>. The CU<sub>avg</sub> would be less likely to fall foul of Article XXIV since there is some ambiguity in the definition of what is an increased tariff. Finally, the

common external tariff could be formed by taking, for each traded item, the lowest of the member country tariffs and applying that as the common external tariff, or C<sub>Umin</sub>. The C<sub>Umin</sub> is unambiguously consistent with GATT Article XXIV. Compared with the C<sub>Umax</sub> and C<sub>Uavg</sub> alternatives, of the C<sub>Umin</sub> is more likely to produce an overall welfare gain<sup>1</sup>. The C<sub>Umin</sub> was therefore adopted for the CU experiments carried out.

### **6.3 Unenforceable Rules of Origin**

One of the characteristics of SADC already noted is that member states have a weak capacity to enforce the rules of origin of the proposed FTA. In practice, the importers will seek to route their imports through the country with the lowest relevant sectoral tariff with scant regard to the formal customs requirements. Thus, the proposed FTA could turn out to operate as if it had a common external tariff chosen on the basis, for each sector, of the lowest sectoral tariff amongst member countries. That is, the FTA 'actual' with unenforceable rules of origin will in fact operate as the C<sub>Umin</sub> defined in section 6.2 above. This is to be compared with the FTA 'intended' as defined in section 6.1.

### **6.4 Open regionalism defined**

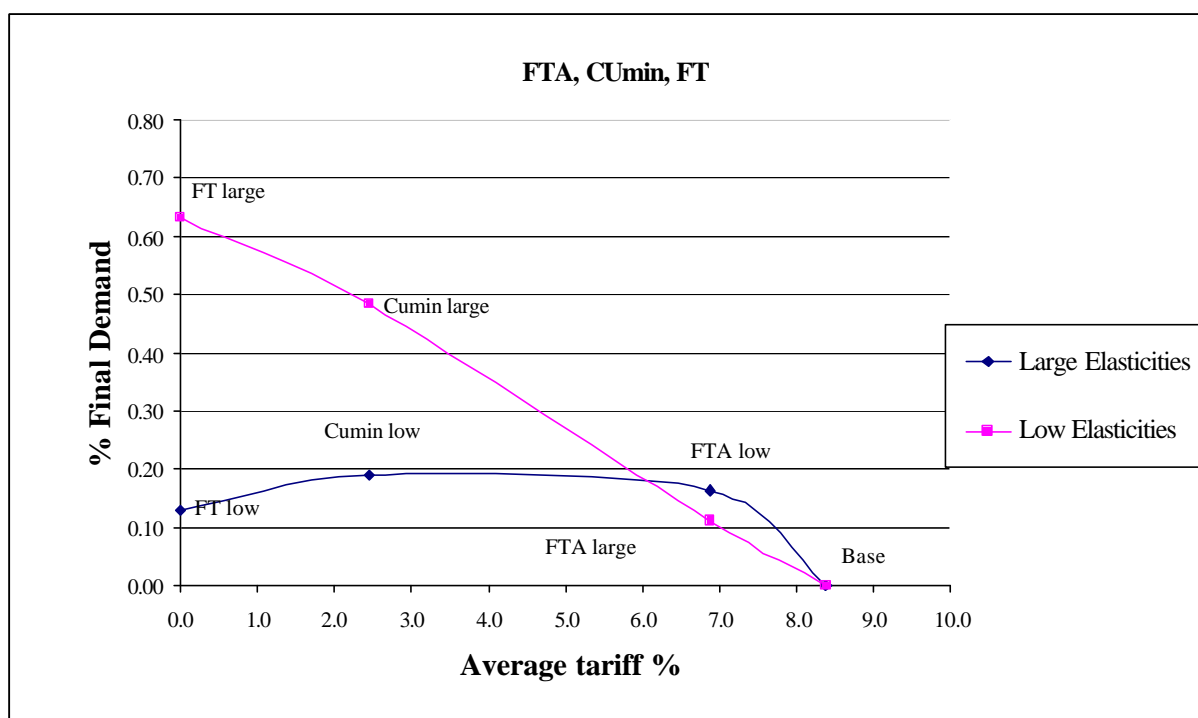
The hallmark of OR, compared with both the FTA and a CU, is that the negotiated tariff reductions are all MFN. That is, parties to an OR agreement undertake to pass on any negotiated tariff reductions to third party members of the WTO. Whilst it may appear that the MFN constraint takes away the incentive for member countries to negotiate tariff reduction, this is not necessarily the case. For example, the MFN constraint creates an incentive for member states to negotiate tariff reductions which maximise the growth of regional trade without 'passing on' the benefits to third parties. Within OR, other areas of co-operation may be identified, for example over foreign investment, technology or infrastructure. However, in all of these endeavours, OR is a co-operative arrangement rather than a rule-based community set up under GATT article XXIV as is the case with a FTA or a CU.

In the SADC context, there has been a long history in the 1990s whereby member states have unilaterally lowered tariffs under the auspices of World Bank SAPs, or under the auspices of the WTO. As a first exercise to explore the OR option, the simple assumption is that all intra and ROW tariffs are removed. That is, to simulate FT.

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<sup>1</sup> As noted by Kemp and Wan (1976), it is always possible to define a CU for which trade creation dominates trade diversion. The welfare gains from a C<sub>Umin</sub> are positive, the common external tariff is formed by an easy rule. No check was made for the sign of the welfare change for a C<sub>Uavg</sub> or C<sub>Umax</sub>.

**Chart 1 Regionalisation Options Compared**



## 7 QUANTIFYING THE OPTIONS

### 7.1 Comparative static welfare effects:

With net trade creation from freer regional trade, SADC countries will transfer resources from lower productivity to higher productivity activities. This takes place without any change in the productivity of individual sectors. Employment fixed in wage units for each economy means that in the present formulation of the model there is no allowance for possible changes in economy-wide unemployment with freer trade. In so far as there is economy-wide unemployment that could be lowered with freer trade, the welfare estimates of FT will be downward biased. With employment in wage units fixed in each economy, there can nevertheless be minor variation in the implied level of employment, as analysed in Evans (1999a). The implied variations in employment are not discussed here since accounting for them here does not affect the discussion of the overall gains from freer.

For each of the options FTA 'intended', the Cumin and FT, the estimates of the comparative static welfare changes compared with the base period are shown in Chart 1, with the addition of calculations with 'large' and 'low' export elasticities.

**Table 2 Trade Creation and Trade Diversion**

<b>Change in Trade Flows</b>		
	<b>% Increase SADC Trade</b>	<b>% Increase ROW Trade</b>
<b>FTA large</b>	9.4	-0.7
<b>FTA low</b>	9.2	-0.5
<b>Cumin large</b>	7.2	6.8
<b>Cumin low</b>	7.3	5.2
<b>FT large</b>	6.5	11.7
<b>FT low</b>	6.8	9.1

Note: % increase in trade calculated as the change in imports

It can be readily seen from Chart 1 that the 'low' and 'large' export elasticities assumption does not alter greatly the welfare gain for the FTA 'intended' of a little over 0.10% of initial Final Demand<sup>2</sup>. For the Cumin and FT with large export elasticities, the comparative static gains increase greatly to nearly 0.50% and to over 0.60%, respectively. However, with 'low' export elasticities, the gains fall dramatically, particularly for FT, to very similar orders of magnitude to the FTA 'intended'. Thus, provided the export elasticities are large, the gains from trade would appear to be much larger for FT compared with the FTA 'intended'. It would therefore appear that the neo-classical presumptions on the gains from freer trade that inform both World Bank and WTO thinking are correct.

## 7.2 Trade Creation and Trade Diversion

It is of some interest to explore the implications of the results for trade creation and trade diversion. There are a number of ways in which trade creation and trade diversion can be measured. A simple indirect measure is to see if either the FTA or the Cumin produce welfare gains. The presence of welfare gains implies that trade creation dominates trade diversion. Another way of looking at trade creation and trade diversion is to compare the changes in aggregate intra trade flows under the FTA and FT, or Cumin and FT, when all changes are measured as % changes on base. Another measure, commensurate with the trade flows, is the change in gross output under FTA or Cumin compared with FT. Alternatively, either sectoral employment or GDP changes could be used. In the discussion below, all measures are used.

The fact that, for all three options for regional integration considered, suggests that there are positive gains as shown in Chart 1, suggesting that trade creation dominates trade diversion, also found in studies of other regional associations (see Robinson and Thierfelder, 1999). Another way of looking at trade creation and

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<sup>2</sup> The higher gain for the 'low' elasticities comes about because under the FTA, exports to the ROW decline a little. In this case, the terms of trade are slightly better with 'low' compared with 'large' export elasticities, the opposite to what happens for either Cumin or FT.

**Table 3 Trade Creation and Trade Diversion: Regression Estimates**

A.					
Dependent Variable:		dGDP (FTA)			
Independent Variable:		dGDP (FT)			
R Square	0.09				
Adjusted R Square	0.08		Estimate	S. E.	t Statistic
Standard Error	0.65	Intercept	-0.03	0.03	-0.94
Observations	444	Coefficient	0.08	0.01	6.41
B.					
Dependent Variable:		dGDP (CUmin)			
Independent Variable:		dGDP (FT)			
R Square	0.91				
Adjusted R Square	0.91		Estimate	S. E.	t Statistic
Standard Error	0.55	Intercept	0.00	0.03	0.02
Observations	444	Coefficient	0.69	0.01	65.36

trade diversion is through the changes in aggregate intra SADC trade, shown in Table 2, together with the over-all changes in SADC and ROW trade<sup>3</sup>.

It can be seen from Table 2 that the expansion in SADC trade is quite similar under all of the regional integration options considered. The Table 3 findings on the changes in SADC appear to confirm that a great deal of intra trade expansion would take place anyway under FT, and that the rise in intra trade is only 1/3 greater than under the FTA than under FT. Thus, the aggregate intra trade flow changes also appear to confirm the observation that trade creation dominates trade diversion. A closer examination of trade creation and trade diversion can be made using the 7-sector disaggregation of the model. The results are shown in Appendix Tables A.7, A.8, A.9 and A10. The estimates of sign of the employment change in each sector for the FTA measured as a % of the base levels, compared with FT sector employment changes also measured as a % of base levels, suggest that there is trade diversion for the aggregate mining and manufacturing sectors. On the other hand, there was trade creation for agriculture and services. The amount of trade diversion dramatically falls when the employment changes for CUmin are compared with the FT changes.

With a large number of sectors and comparisons to be made, an obvious way to summarise the results is to use regression analysis on the 37-sector results. Thus, for each option, the change in gross output, employment and GDP in each industry in each country was estimated. The FT results were then treated as the independent variable, the case where there is only trade creation by definition. The changes in gross

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<sup>3</sup> For SADC, the increase in intra imports and the increase in exports must be the same. This means that the increase in ROW imports and exports must also be the same. For simplicity, the increase in trade is shown as a % of initial imports. This choice of denominator makes no difference for SADC trade, since both the level of change in imports and exports must always be the same. However, for the ROW trade, usually initial imports are greater than initial exports so that the measure of increased trade chosen is downward biased compared with other averages of initial trade with the ROW.

**Table 4. Static and Dynamic Effects of Regional Integration**

**Large export elasticities**

	% Final Demand
FTA	0.4%
CUmin	2.0%
FT	2.5%

output, employment and GDP were then treated as the dependent variable for the FTA and CUmin, respectively. Formally, the linear regressions fitted were:

$$dTC_{ij} = a (TC_{ij}) + b (TC_{ij}) dTC_{ik} + e_i$$

where  $dTC_{ij}$  is the measure of trade creation, a vector of sectoral changes

$a (TC_{ij})$ ,  $b (TC_{ij})$  are the intercept and slope terms of the regression equation

$e_i$  is the error term

$i =$  GDP, employment are the vectors of sectoral GDP or employment change

$j =$  FTA or CUmin

$k =$  FT

The regression results were very similar when using employment or GDP changes; the regression equations fitted were hardly significant for the changes in gross output. Since the measure of trade creation and trade diversion using changes in GDP is probably nearest to the desired theoretical measure, these regressions are shown in Table 3. The regression results suggest that trade creation is weak compared with trade diversion under the FTA. Although statistically significant, regression coefficient is very small. However, under the CUmin the regression coefficient is very much larger and highly significant statistically. Thus, on static welfare grounds, the FTA option is dominated by the CUmin and FT options. The question therefore arises: are there excluded factors that may drive reasonable policy makers to adopt either the FTA or the CUmin in preference to FT?

### **7.3 Dynamic Effects**

A more extended discussion of the dynamic effects can be found in Mandaza et al (1998) and Evans (1999b). The argument is summarized here.

Typically, the dynamic effects can be divided into:

### ***(i) Scale economies and productivity effects***

Within SADC, there are widespread opportunities for reaping scale economies outside traditional heavy industry, including the better use of infrastructure. When combined with productivity effects from trade creation and increased inducements for networking, this effect is likely to be very large. Typically, these effects are associated with increased intra trade.

### ***(ii) Reinvestment of initial gains***

SADC economies have traditionally had low rates of investment and low rates of utilisation of existing investment. If some of the excess capacity that exists in the region is taken up, and when a substantial part of the gains from freer trade are re-invested, faster growth can be expected. These gains are particularly likely to be realised when wider measures affecting the investment environment, such as greater certainty, are implemented.

It is difficult to estimate the size of the dynamic gains without explicit modelling of these effects, especially since the options considered here have different implications for the size and composition of intra SADC trade, including different capital requirements of expansion of output. However, very rough orders of magnitude of these effects range from four to six times the impact effects. Thus, taking the lower estimate of four times the impact effects, the total welfare effects could be of the orders of magnitude shown in Table 4.

The very approximate measures of the mix of impact effects, once-and-for-all dynamic changes, and dynamic benefits that continue into the future should be treated with great caution. In particular, the CUmin and FT imply a very different sectoral mix of output. Thus, it is not clear that the very approximate estimates of the dynamic gains as a multiple of the impact gains for the FTA would carry over to the CUmin or FT. Nevertheless, measures suggest that the potential benefits of regional integration in SADC are large indeed.

## **7.4 Deep Integration<sup>4</sup>**

Regional economic integration can add to the process of multilateral liberalisation when there is a commitment to a deeper form of integration going beyond just the WTO framework. The idea of 'deep integration', recently developed by Lawrence (1996), offers a simple but powerful insight into the relationship between pure trade liberalisation and policy co-ordination. Thus, the initial trade liberalisation alone under the FTA may bring small benefits. However, as already noted, the 'intended' FTA is unlikely to succeed because of unenforceable rules of origin. If fully implemented, the FTA is likely to end up behaving like the CUmin. Thus, for credibility, the FTA needs to move on quickly to something like the CUmin. Without a progression from the FTA, there will be unenforceable rules of origin at the core of the regional cooperation arrangement. Once credibility has been restored with, say, a CUmin, the benefits of specialisation, investment and growth effects will fully appear. A question therefore arises, would it be possible to go from a regional

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<sup>4</sup> This section draws mainly on Mandaza, Holmes and Evans, (1998).



arrangement such as CUmin and realise the even greater welfare benefits as under FT? Since deep integration is not implied by the FT option, the FT option may not be as attractive as it appears from the orders of magnitude of gains relative to CUmin shown in Table 4.

### **7.5 Potential Terms of Trade Effects**

In addition to the exclusion of the benefits from deep integration in the FT option, the attractions of FT are tempered by potential terms of trade costs, noted by Kaplinsky (1998) for the East Asian case. Kaplinsky found that the newer East Asian NICs suffered terms of trade problems compared with the older NICs. This suggested that the older East Asian NICs were better able to offset any terms of trade problems in particular product lines by constantly upgrading products for niche marketing. In the SADC context, the effects on welfare of low export elasticities were much greater for FT than for CUmin. Put the other way around, a CUmin with deep integration would be less likely to face adverse terms of trade effects than FT. It would also have a greater potential capacity to assist SADC exporters to constantly upgrade their products to counter adverse terms of trade pressures.

## **8 CONCLUDING REMARKS**

Any conclusions must bear in mind the preliminary nature of the CGE modelling exercise and the key data deficiencies that have important bearing on policy choices. With all of the qualifications and cautionary remarks, the key conclusions from this paper are:

- There are important welfare benefits, both static and dynamic, to be gained from the SADC FTA were this to be implemented as intended
- It is unlikely that the intended FTA can be implemented because of unenforceable rules of origin. Thus, integration according to the actual FTA will end up being like a CU with the minimum tariff on each traded item from the member countries operating as the common external tariff for that item, the CUmin.
- There is substantial trade diversion associated with the 'intended' FTA, although trade creation dominates. The CUmin has very little trade diversion.
- Moving on to a CUmin offers many advantages for SADC. The welfare gains would be dramatically increased, both static and dynamic. In particular, the opportunities for long run gains from a rule-based system of deep integration are likely to greatly increase.
- Full FT appears to offer some advantages in terms of welfare gains compared with CUmin. However, FT will miss the benefits of deep integration and it may not be as effective in providing firms with an enabling environment that may assist in offsetting potentially adverse terms of trade effects.
- This paper is only the beginning of a policy relevant research that can be informed by a CGE model of SADC. This suggests that there is likely to be a high pay-off to further development of economic policy modelling of the Southern African region. In particular, there is scope for further research into the

employment and welfare changes from the options considered when full labour market mobility is not assumed or full employment maintained, measured in terms of wage units. Such work can only complement both case studies and political economy research on micro and institutional aspects of the path toward regional integration.

## APPENDIX

**Table A.1: Welfare Effects, FTA Large Market Clearing Taxes and Subsidies**

	SADC tariffs		ROW tariff		Final	Consumer	Customs	Lump Sum	TOTAL	% Final	ToT	% SADC
	pre	post	pre	post	Demand	Surplus	Revenue	Tax	GAINS	Demand	Pe/Pm	Imports
Angola	10.1	0.0	10.8	10.8	6974	28.4	-34.1	14.7	8.9	0.13	0.999	20.19
Botswana	0.5	0.0	11.8	11.8	3386	13.1	-8.2	-10.1	-5.2	-0.15	1.001	0.16
Lesotho	1.5	0.0	11.7	11.7	1279	15.4	-13.0	2.7	5.1	0.39	0.999	0.41
Malawi	21.8	0.0	20.6	20.6	1886	72.3	-44.9	26.0	53.4	2.83	0.999	22.72
Mauritius	24.5	0.0	22.7	22.7	2525	67.5	-38.3	-21.3	8.0	0.32	1.004	25.02
Mozambique	19.5	0.0	12.0	12.0	1589	66.1	-59.7	6.8	13.1	0.83	0.989	18.96
Namibia	0.1	0.0	12.6	12.6	1959	1.0	-0.7	-0.8	-0.6	-0.03	1.000	0.08
RSA	6.5	0.0	5.6	5.6	108822	108.2	-87.7	-6.6	13.9	0.01	1.001	20.83
Swaziland	0.1	0.0	6.3	6.3	1035	3.1	-0.5	1.3	4.0	0.38	1.003	0.31
Tanzania	21.9	0.0	19.0	19.0	3315	7.0	-5.8	1.0	2.2	0.07	1.000	33.62
Zambia	14.0	0.0	11.4	11.4	1898	14.6	-48.3	2.0	-31.7	-1.67	0.998	18.82
Zimbabwe	18.8	0.0	15.8	15.8	4240	118.9	-94.0	56.0	80.9	1.91	0.979	32.47
<b>SADC</b>	<b>5.7</b>	<b>0.0</b>	<b>9.3</b>	<b>9.3</b>	<b>138909</b>	<b>515.6</b>	<b>-435.2</b>	<b>71.6</b>	<b>152.0</b>	<b>0.11</b>	<b>0.999</b>	<b>9.36</b>

Notes:

\$USm average 1991-3 for financial variables

Imports and exports valued fob

Tariffs import weighted, most recent year

Lump sum tax adjusted to maintain internal balances, or labour market equilibrium

**Table A.2: Welfare Effects, FTA Low Market Clearing Taxes and Subsidies**

	SADC tariffs		ROW tariff		Final	Consumer	Customs	Lump Sum	TOTAL	% Final	ToT	% SADC
	pre	post	pre	post	Demand	Surplus	Revenue	Tax	GAINS	Demand	Pe/Pm	Imports
Angola	10.1	0.0	10.8	10.8	6974	24.5	-34.3	13.8	4.1	0.06	0.998	20.04
Botswana	0.5	0.0	11.8	11.8	3386	18.1	-8.1	-5.7	4.2	0.12	1.003	0.25
Lesotho	1.5	0.0	11.7	11.7	1279	15.7	-13.0	2.6	5.2	0.41	1.000	0.47
Malawi	21.8	0.0	20.6	20.6	1886	70.0	-45.0	26.4	51.4	2.73	0.999	22.54
Mauritius	24.5	0.0	22.7	22.7	2525	82.8	-37.2	-12.6	32.9	1.30	1.011	24.84
Mozambique	19.5	0.0	12.0	12.0	1589	48.0	-60.7	6.6	-6.2	-0.39	0.976	17.85
Namibia	0.1	0.0	12.6	12.6	1959	0.3	-0.7	-0.6	-1.0	-0.05	1.000	0.03
RSA	6.5	0.0	5.6	5.6	108822	137.7	-85.4	4.6	57.0	0.05	1.002	20.71
Swaziland	0.1	0.0	6.3	6.3	1035	4.7	-0.5	1.3	5.6	0.54	1.005	0.46
Tanzania	21.9	0.0	19.0	19.0	3315	6.7	-5.8	1.2	2.2	0.06	1.000	33.52
Zambia	14.0	0.0	11.4	11.4	1898	14.4	-48.6	2.0	-32.2	-1.69	0.992	18.20
Zimbabwe	18.8	0.0	15.8	15.8	4240	131.1	-91.6	62.2	101.8	2.40	0.976	31.37
<b>SADC</b>	<b>5.7</b>	<b>0.0</b>	<b>9.3</b>	<b>9.3</b>	<b>138909</b>	<b>554.0</b>	<b>-430.8</b>	<b>101.8</b>	<b>225.0</b>	<b>0.16</b>	<b>1.000</b>	<b>9.21</b>

Notes:

\$USm average 1991-3 for financial variables

Imports and exports valued fob

Tariffs import weighted, most recent year

Lump sum tax adjusted to maintain internal balances, or labour market equilibrium

**Table A.3: Welfare Effects, C Umin Large Market Clearing Taxes and Subsidies**

	SADC tariffs		ROW tariff		Final	Consumer	Customs	Lump Sum	TOTAL	% Final	ToT	% SADC
	pre	C Umin	pre	C Umin	Demand	Surplus	Revenue	Tax	GAINS	Demand	Pe/Pm	Trade
Angola	10.1	0.0	10.8	5.4	6974	132.9	-107.4	62.5	87.9	1.26	0.999	13.13
Botswana	0.5	0.0	11.8	3.2	3386	52.3	-29.6	-2.7	20.0	0.59	1.007	-0.60
Lesotho	1.5	0.0	11.7	3.7	1279	21.4	-19.3	3.2	5.3	0.41	0.999	-0.31
Malawi	21.8	0.0	20.6	4.3	1886	144.6	-87.0	57.2	114.8	6.09	0.996	17.46
Mauritius	24.5	0.0	22.7	3.8	2525	310.4	-300.5	6.9	16.8	0.67	0.985	21.16
Mozambique	19.5	0.0	12.0	3.8	1589	114.2	-97.6	11.8	28.4	1.79	0.979	17.01
Namibia	0.1	0.0	12.6	4.2	1959	20.3	-10.4	2.6	12.5	0.64	1.005	-0.40
RSA	6.5	0.0	5.6	2.8	108822	329.8	-373.2	132.4	89.1	0.08	0.995	16.09
Swaziland	0.1	0.0	6.3	3.1	1035	5.5	-1.9	-0.2	3.4	0.33	1.004	0.80
Tanzania	21.9	0.0	19.0	5.0	3315	204.0	-154.9	17.1	66.2	2.00	0.981	26.80
Zambia	14.0	0.0	11.4	3.7	1898	154.5	-80.5	39.1	113.2	5.96	0.999	18.39
Zimbabwe	18.8	0.0	15.8	3.3	4240	276.0	-229.6	67.4	113.8	2.68	0.957	24.76
<b>SADC</b>	<b>5.7</b>	<b>0.0</b>	<b>9.3</b>	<b>3.3</b>	<b>138909</b>	<b>1766.0</b>	<b>-1491.9</b>	<b>397.3</b>	<b>671.4</b>	<b>0.48</b>	<b>0.994</b>	<b>7.20</b>

Notes:

\$USm average 1991-3 for financial variables

Imports and exports valued fob

Tariffs import weighted, most recent year

Lump sum tax adjusted to maintain internal balances, or labour market equilibrium

**Table A.4: Welfare Effects, C Umin Low Market Clearing Taxes and Subsidies**

	SADC tariffs		ROW tariff		Final	Consumer	Customs	Lump Sum	TOTAL	% Final	ToT	% SADC
	pre	C Umin	pre	C Umin	Demand	Surplus	Revenue	Tax	GAINS	Demand	Pe/Pm	Trade
Angola	10.1	0.0	10.8	5.4	6974	124.7	-107.8	65.6	82.5	1.18	0.996	13.62
Botswana	0.5	0.0	11.8	3.2	3386	66.9	-29.7	12.4	49.7	1.47	1.012	-0.16
Lesotho	1.5	0.0	11.7	3.7	1279	19.3	-19.3	2.8	2.8	0.22	0.996	-0.26
Malawi	21.8	0.0	20.6	4.3	1886	136.8	-87.1	56.5	106.1	5.63	0.986	16.96
Mauritius	24.5	0.0	22.7	3.8	2525	286.6	-302.1	33.1	17.5	0.69	0.973	19.06
Mozambique	19.5	0.0	12.0	3.8	1589	81.3	-98.1	13.3	-3.6	-0.22	0.954	15.06
Namibia	0.1	0.0	12.6	4.2	1959	23.2	-10.4	6.8	19.6	1.00	1.006	-0.39
RSA	6.5	0.0	5.6	2.8	108822	89.7	-380.0	78.4	-211.8	-0.19	0.988	16.03
Swaziland	0.1	0.0	6.3	3.1	1035	5.0	-1.9	-0.2	2.8	0.27	1.004	0.82
Tanzania	21.9	0.0	19.0	5.0	3315	167.7	-155.8	22.6	34.5	1.04	0.960	26.37
Zambia	14.0	0.0	11.4	3.7	1898	127.3	-80.7	34.5	81.0	4.27	0.988	17.75
Zimbabwe	18.8	0.0	15.8	3.3	4240	244.8	-231.4	69.7	83.1	1.96	0.961	27.52
<b>SADC</b>	<b>5.7</b>	<b>0.0</b>	<b>9.3</b>	<b>3.3</b>	<b>138909</b>	<b>1373.2</b>	<b>-1504.4</b>	<b>395.4</b>	<b>264.2</b>	<b>0.19</b>	<b>0.988</b>	<b>7.32</b>

Notes:

\$USm average 1991-3 for financial variables

Imports and exports valued fob

Tariffs import weighted, most recent year

Lump sum tax adjusted to maintain internal balances, or labour market equilibrium

**Table A.5: Welfare Effects, FT Large Market Clearing Taxes and Subsidies**

	SADC tariffs		ROW tariff		Final	Consumer	Customs	Lump Sum	TOTAL	% Final	ToT	% SADC
	pre	post	pre	post	Demand	Surplus	Revenue	Tax	GAINS	Demand	Pe/Pm	Imports
Angola	10.1	0.0	10.8	0.0	6974	233.5	-196.0	107.7	145.2	2.08	0.998	9.45
Botswana	0.5	0.0	11.8	0.0	3386	77.4	-38.8	5.0	43.6	1.29	1.012	-0.55
Lesotho	1.5	0.0	11.7	0.0	1279	24.9	-23.1	3.5	5.3	0.41	1.002	-0.59
Malawi	21.8	0.0	20.6	0.0	1886	163.4	-99.8	65.4	129.0	6.84	0.996	16.40
Mauritius	24.5	0.0	22.7	0.0	2525	358.5	-363.6	12.6	7.5	0.30	0.981	20.07
Mozambique	19.5	0.0	12.0	0.0	1589	136.6	-117.4	15.6	34.8	2.19	0.976	16.27
Namibia	0.1	0.0	12.6	0.0	1959	34.1	-17.0	5.5	22.7	1.16	1.009	-0.45
RSA	6.5	0.0	5.6	0.0	108822	630.7	-775.2	287.2	142.6	0.13	0.989	14.19
Swaziland	0.1	0.0	6.3	0.0	1035	8.6	-3.5	-0.5	4.5	0.44	1.007	1.00
Tanzania	21.9	0.0	19.0	0.0	3315	263.9	-211.8	23.1	75.2	2.27	0.975	19.19
Zambia	14.0	0.0	11.4	0.0	1898	205.5	-98.1	49.5	156.9	8.26	0.999	17.77
Zimbabwe	18.8	0.0	15.8	0.0	4240	315.4	-273.6	67.7	109.5	2.58	0.956	23.01
<b>SADC</b>	<b>5.7</b>	<b>0.0</b>	<b>9.3</b>	<b>0.0</b>	<b>138909</b>	<b>2452.4</b>	<b>-2218.0</b>	<b>642.2</b>	<b>876.6</b>	<b>0.63</b>	<b>0.991</b>	<b>6.50</b>

Notes:

SUSm average 1991-3 for financial variables

Imports and exports valued fob

Tariffs import weighted, most recent year

Lump sum tax adjusted to maintain internal balances, or labour market equilibrium

**Table A.6: Welfare Effects, FT Low Market Clearing Taxes and Subsidies**

	SADC tariffs		ROW tariff		Final	Consumer	Customs	Lump Sum	TOTAL	% Final	ToT	% SADC
	pre	post	pre	post	Demand	Surplus	Revenue	Tax	GAINS	Demand	Pe/Pm	Imports
Angola	10.1	0.0	10.8	0.0	6974	221.7	-196.0	112.2	137.8	1.98	0.993	10.49
Botswana	0.5	0.0	11.8	0.0	3386	102.6	-38.8	26.7	90.5	2.67	1.020	0.21
Lesotho	1.5	0.0	11.7	0.0	1279	22.9	-23.1	3.2	3.0	0.23	0.998	-0.48
Malawi	21.8	0.0	20.6	0.0	1886	155.0	-99.8	64.8	120.1	6.36	0.985	16.11
Mauritius	24.5	0.0	22.7	0.0	2525	327.5	-363.6	43.0	6.9	0.27	0.964	18.06
Mozambique	19.5	0.0	12.0	0.0	1589	99.9	-117.4	17.6	0.1	0.00	0.948	14.26
Namibia	0.1	0.0	12.6	0.0	1959	42.2	-17.0	12.9	38.1	1.94	1.013	-0.28
RSA	6.5	0.0	5.6	0.0	108822	159.4	-775.2	179.6	-436.3	-0.40	0.976	13.69
Swaziland	0.1	0.0	6.3	0.0	1035	7.8	-3.5	-0.6	3.7	0.36	1.006	1.07
Tanzania	21.9	0.0	19.0	0.0	3315	217.4	-211.8	29.6	35.2	1.06	0.946	18.78
Zambia	14.0	0.0	11.4	0.0	1898	170.9	-98.1	43.2	116.0	6.11	0.988	17.49
Zimbabwe	18.8	0.0	15.8	0.0	4240	270.6	-273.6	67.3	64.2	1.52	0.963	27.79
<b>SADC</b>	<b>5.7</b>	<b>0.0</b>	<b>9.3</b>	<b>0.0</b>	<b>138909</b>	<b>1797.8</b>	<b>-2218.0</b>	<b>599.5</b>	<b>179.2</b>	<b>0.13</b>	<b>0.981</b>	<b>6.82</b>

Notes:

SUSm average 1991-3 for financial variables

Imports and exports valued fob

Tariffs import weighted, most recent year

Lump sum tax adjusted to maintain internal balances, or labour market equilibrium

**Table A.7: FTA 7 Sector disaggregated Results: % Change on Base**  
**Large Export Elasticities, Market Clearing Taxes and Subsidies**

<b>Angola</b>																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	24.0	0.1	4.4	0.0	8.5	8.53	852	-0.03	1872.0	-0.07	9.3	3.88	29.5	0.00	0.0	43.85	16.9	-0.63	-0.5	3191.9	-0.07	2.9	-15.0	0.0
Mining	0.2	0.0	10.5	0.0	19.7	19.65	1219	-0.03	4198.0	-0.11	0.0	16.95	2.9	-0.21	0.0	0.00	3354.0	0.48	16.1	212.8	0.15	0.6	-0.3	0.0
Food, tobacco, beverages	39.4	2.9	4.2	0.0	12.0	11.99	538	0.22	269.8	-0.16	173.9	7.68	267.3	-4.27	2.0	0.53	65.5	1.64	-0.8	36.0	0.05	39.3	-26.8	0.0
Textiles	34.3	0.0	30.1	0.0	28.7	28.73	89	0.72	89.4	-9.85	32.1	73.79	61.6	-19.70	0.0	0.00	0.0	22.17	-11.5	13.2	-9.83	27.3	-48.0	0.0
Clothing	25.9	0.0	34.5	0.0	28.2	28.25	87	0.79	77.2	-5.49	9.6	94.88	27.6	-13.46	0.0	0.00	0.0	17.07	-5.4	7.7	-5.49	11.1	-39.3	0.0
Other manufactured	2.3	0.6	17.4	0.0	9.2	9.19	1209	0.05	683.0	0.06	28.2	15.85	1194.4	-0.34	1.4	21.75	223.1	0.97	1.9	64.8	0.19	114.7	-4.9	0.0
Services	30.0	30.0	0.0	0.0	0.0	0.00	2981	-0.04	4781.8	-0.07	0.1	-0.07	0.1	-0.08	0.1	-0.01	0.1	-1.33	0.0	723.5	-0.07	0.0	0.0	0.0
<b>Total or Average</b>	<b>13.8</b>	<b>0.1</b>	<b>10.1</b>	<b>0.0</b>	<b>10.8</b>	<b>10.8</b>	<b>6974</b>	<b>0.00</b>	<b>11971.2</b>	<b>-0.19</b>	<b>253.2</b>	<b>20.19</b>	<b>1583.4</b>	<b>-1.99</b>	<b>3.5</b>	<b>9.21</b>	<b>3659.5</b>	<b>0.53</b>	<b>0.0</b>	<b>4249.8</b>	<b>-0.09</b>	<b>196.0</b>	<b>-17.4</b>	<b>-3.7</b>
<b>Botswana</b>																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	81.1	57.4	0.1	0.0	3.74	3.7	158	-0.03	201.4	-0.18	99.0	0.19	23.1	-0.02	17.2	2.84	12.8	-2.57	0.0	5.8	-0.09	1.0	-9.6	0.0
Mining	92.6	0.4	0.0	0.0	0.58	0.6	46	-0.06	142.9	-0.20	6.0	-0.02	0.5	0.13	4.6	6.62	1210.3	-1.86	-22.2	7.9	-1.65	0.0	-4.8	0.0
Food, tobacco, beverages	79.9	39.8	0.1	0.0	29.91	29.9	282	-0.04	137.4	-0.09	182.6	0.08	46.0	-0.40	102.4	9.99	154.7	-0.91	8.9	6.4	2.40	13.9	-1.4	0.0
Textiles	83.6	22.1	1.9	0.0	44.30	44.3	46	0.15	13.6	-2.16	66.1	1.72	13.0	-4.30	12.6	42.77	44.4	5.34	7.1	4.2	10.57	7.0	-21.4	0.0
Clothing	97.8	0.0	6.6	0.0	72.86	72.9	24	0.93	0.0	0.00	30.4	1.57	0.7	-14.58	0.0	0.00	0.0	0.00	-0.4	0.0	0.00	2.5	-83.2	0.0
Other manufactured	86.0	27.1	0.4	0.0	5.69	5.7	817	0.08	129.8	0.17	1095.9	-0.05	179.0	0.02	43.2	16.43	116.5	-0.04	6.6	14.4	2.01	14.5	-29.9	0.0
Services	45.8	50.0	0.0	0.0	0.00	0.0	2013	-0.07	3186.6	-0.12	0.1	3.24	0.1	0.09	0.1	0.01	0.1	-1.17	0.0	188.1	-0.12	0.0	0.0	0.0
<b>Total or Average</b>	<b>84.9</b>	<b>10.5</b>	<b>0.5</b>	<b>0.0</b>	<b>11.8</b>	<b>11.8</b>	<b>3386</b>	<b>-0.03</b>	<b>3811.7</b>	<b>-0.12</b>	<b>1480.1</b>	<b>0.16</b>	<b>262.3</b>	<b>-0.31</b>	<b>180.1</b>	<b>13.05</b>	<b>1538.8</b>	<b>-1.42</b>	<b>0.0</b>	<b>226.8</b>	<b>0.23</b>	<b>38.8</b>	<b>-21.1</b>	<b>-4.1</b>
<b>Lesotho</b>																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	82.6	97.9	0.0	0.0	0.7	0.7	101	-0.09	111.8	-0.34	80.7	0.10	17.0	-0.65	13.1	0.07	0.3	2.68	0.0	577.3	-0.29	0.1	-0.7	0.0
Mining	81.1	0.0	0.0	0.0	0.1	0.1	4	-0.22	1.5	-0.82	11.5	-0.83	2.7	-0.78	0.0	0.00	0.0	0.00	0.1	6.1	-0.82	0.0	-0.8	0.0
Food, tobacco, beverages	88.2	30.7	0.0	0.0	18.3	18.3	303	-0.28	258.6	-0.33	133.5	-0.22	17.8	-0.46	20.6	-0.81	46.5	-5.21	-2.2	2.3	-0.92	3.3	-1.0	0.0
Textiles	96.8	62.5	13.1	0.0	48.7	48.7	47	1.27	9.9	-13.10	88.8	5.51	2.9	-28.23	7.4	48.21	4.5	40.04	1.0	6.9	18.63	13.1	-92.2	0.0
Clothing	99.7	0.0	1.4	0.0	74.9	74.9	46	0.30	0.0	0.00	61.5	0.41	0.2	-3.62	0.0	0.00	0.0	0.00	-0.2	0.0	0.00	1.0	-88.3	0.0
Other manufactured	90.6	51.7	0.0	0.0	11.4	11.4	312	-0.21	41.9	-0.56	473.0	-0.32	49.1	-0.21	5.8	5.73	5.4	-8.88	1.3	3.1	0.18	5.7	-1.5	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	466	-0.20	764.4	-0.33	0.1	0.32	0.1	0.32	0.1	-0.77	0.1	-9.74	0.0	247.4	-0.33	0.0	0.0	0.0
<b>Total or Average</b>	<b>90.4</b>	<b>45.3</b>	<b>1.5</b>	<b>0.0</b>	<b>11.7</b>	<b>11.7</b>	<b>1279</b>	<b>-0.09</b>	<b>1188.1</b>	<b>-0.45</b>	<b>849.2</b>	<b>0.41</b>	<b>89.7</b>	<b>-1.28</b>	<b>47.0</b>	<b>7.96</b>	<b>56.7</b>	<b>-1.98</b>	<b>0.0</b>	<b>843.1</b>	<b>-0.15</b>	<b>23.1</b>	<b>-56.4</b>	<b>-31.4</b>

**Table A.7 cont.: FTA 7 Sector Disaggregated Results: % Change on Base**

Malawi																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	43.9	6.6	18.4	0.0	4.8	4.8	171	-0.15	451.1	-0.89	9.3	23.32	11.9	-0.60	25.9	16.97	365.9	-0.31	1.2	329.6	-0.35	2.3	-76.3	0.0
Mining	62.5	0.0	6.1	0.0	9.0	9.0	0	0.09	0.0	0.00	0.6	1.87	0.4	-1.74	0.0	0.00	0.0	0.00	0.0	0.8	0.00	0.1	-53.7	0.0
Food, tobacco, beverages	90.3	34.2	20.8	0.0	20.8	20.8	318	-0.14	385.2	-1.90	36.8	18.92	4.0	-4.34	4.2	22.93	8.1	-5.35	-6.3	44.2	-1.50	8.5	-90.7	0.0
Textiles	59.9	99.8	39.3	0.0	35.2	35.2	32	0.61	53.1	-17.96	16.2	84.98	10.8	-27.50	14.4	139.06	0.0	21.47	8.8	8.3	15.52	10.2	-72.8	0.0
Clothing	81.3	98.1	40.0	0.0	39.9	39.9	15	1.12	18.6	-8.01	2.2	88.10	0.5	-24.25	1.9	208.80	0.0	36.55	2.0	3.8	12.14	1.1	-85.9	0.0
Other manufactured	33.5	48.3	19.9	0.0	20.7	20.7	274	1.25	222.3	-2.15	127.6	12.69	253.1	-3.08	13.2	13.60	14.1	27.77	-5.6	22.5	2.13	77.7	-34.9	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	1076	-0.19	1911.5	-0.35	0.1	-1.13	0.1	-0.98	0.1	0.81	0.1	7.11	0.0	201.0	-0.35	0.0	0.0	0.0
Total or Average	40.7	13.3	21.8	0.0	20.6	20.6	1886	-0.02	3041.9	-1.11	192.8	22.72	280.8	-3.97	59.7	52.14	388.3	0.62	0.0	610.1	-0.04	99.8	-45.0	-9.9
Mauritius																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	12.6	0.8	10.9	0.0	5.8	5.8	23	0.26	27.2	-0.19	8.1	15.21	56.2	-0.30	3.0	42.82	381.2	-2.17	-8.1	43.8	-1.46	4.2	-22.4	0.0
Mining	99.9	10.8	15.0	0.0	14.4	14.4	0	0.35	3.3	0.88	4.4	8.86	0.0	1.38	0.0	-1.33	0.1	-7.62	-0.4	0.2	0.74	0.7	-99.9	0.0
Food, tobacco, beverages	22.8	2.3	16.8	0.0	16.4	16.4	249	1.87	134.2	-3.23	46.7	18.17	158.1	1.34	1.1	19.39	45.6	-9.01	-14.5	13.4	-4.13	33.8	-21.9	0.0
Textiles	3.8	16.1	18.1	0.0	4.2	4.2	146	0.69	69.8	0.03	14.6	51.47	371.9	0.63	75.5	137.66	392.4	-1.49	88.4	4.8	18.25	18.5	-13.9	0.0
Clothing	2.1	0.1	71.4	0.0	74.2	74.2	151	1.13	208.7	0.93	0.2	251.48	11.8	9.26	0.2	156.58	302.1	-12.49	-39.7	69.8	-6.95	9.0	7.1	0.0
Other manufactured	10.7	3.8	30.6	0.0	32.6	32.6	482	2.79	223.3	0.24	98.5	24.42	819.2	1.26	6.5	7.57	165.4	5.67	-25.6	18.9	0.69	297.6	-9.2	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	1476	0.91	2928.7	1.81	0.1	4.80	0.1	4.93	0.1	2.48	0.1	-14.07	0.0	136.4	1.81	0.0	0.0	0.0
Total or Average	10.9	6.3	24.5	0.0	22.7	22.7	2525	0.98	3595.2	1.42	172.7	25.02	1417.4	1.11	86.3	123.02	1286.8	-3.62	0.0	287.4	-0.90	363.6	-10.5	-4.5
Mozambique																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	27.9	4.2	11.7	0.0	3.8	3.8	347	-0.03	642.0	-0.55	30.8	13.91	79.5	-1.58	6.7	29.88	153.5	6.35	8.7	8.1	0.35	6.7	-55.0	0.0
Mining	78.3	0.7	3.1	0.0	2.7	2.7	2	0.02	3.0	-2.06	2.3	3.81	0.6	-3.47	0.0	0.19	0.5	6.31	0.0	2.5	-0.81	0.1	-81.6	0.0
Food, tobacco, beverages	70.9	5.4	26.4	0.0	14.7	14.7	335	1.24	274.0	-6.51	118.9	21.97	48.8	-5.67	1.7	10.80	30.3	8.03	-20.8	25.1	-3.49	38.6	-82.5	0.0
Textiles	21.5	67.7	31.7	0.0	29.0	29.0	66	0.18	97.2	-4.07	9.0	86.98	33.0	-10.29	4.1	149.70	2.0	14.00	1.9	8.2	2.43	12.4	-30.9	0.0
Clothing	77.2	74.8	34.9	0.0	34.9	34.9	51	0.71	59.8	-8.39	6.5	92.18	1.9	-15.74	1.5	229.11	0.5	15.75	-2.2	3.1	-2.50	2.9	-80.8	0.0
Other manufactured	27.6	4.4	13.5	0.0	11.8	11.8	379	0.87	189.2	-1.04	127.6	7.70	334.0	-1.26	5.2	8.02	114.0	17.51	12.5	21.7	3.26	56.7	-31.6	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	409	0.05	664.7	0.07	0.1	-0.52	0.1	-0.46	0.1	1.23	0.1	11.99	0.0	31.4	0.08	0.0	0.0	0.0
Total or Average	37.2	6.1	19.5	0.0	12.0	12.0	1589	0.30	1930.0	-1.65	295.2	18.96	497.9	-2.40	19.4	62.87	300.9	10.82	0.0	100.1	-0.02	117.4	-50.9	-10.8

**Table A.7 cont.: FTA 7 Sector Disaggregated Results: % Change on Base**

Namibia																								
Sectors	shares			pre and post-tariffs			levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	92.7	87.7	0.7	0.0	5.8	5.8	80	0.02	189.8	0.03	58.6	0.20	4.6	-0.81	173.1	0.31	24.3	-0.26	0.4	195.1	0.14	0.7	-39.6	0.0
Mining	45.2	1.3	0.0	0.0	0.0	0.0	7	0.00	98.7	0.06	8.2	0.00	9.9	0.11	7.0	0.12	521.6	-0.39	-2.0	15.1	-0.31	0.0	0.1	0.0
Food, tobacco, beverages	82.0	32.9	0.0	0.0	16.7	16.7	234	0.07	105.2	0.09	197.3	0.05	43.3	0.04	152.5	0.38	310.8	0.36	1.6	4.4	0.27	7.3	-0.7	0.0
Textiles	91.9	94.4	0.2	0.0	36.7	36.7	23	0.05	16.5	-0.44	51.2	0.44	4.5	-0.92	24.1	-0.67	1.4	1.27	-0.3	13.2	-0.51	1.7	-6.4	0.0
Clothing	93.3	0.0	0.2	0.0	75.3	75.3	32	0.11	0.0	0.00	43.9	0.26	3.1	-1.18	0.0	0.00	0.0	0.00	-0.1	0.0	0.00	2.5	-5.1	0.0
Other manufactured	91.8	33.8	0.0	0.0	7.4	7.4	399	0.04	76.5	0.06	719.5	0.03	63.9	0.08	34.1	3.02	66.7	-0.33	0.5	6.0	0.17	4.8	-1.2	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	1185	0.03	2368.1	0.05	0.1	0.13	0.1	0.08	0.1	0.07	0.1	-0.38	0.0	171.4	0.05	0.0	0.0	0.0
Total or Average	89.3	29.7	0.1	0.0	12.6	12.6	1959	0.03	2854.7	0.05	1078.7	0.08	129.6	-0.03	390.9	0.51	924.9	-0.13	0.0	405.2	0.07	17.0	-4.4	-1.5
South Africa																								
Sectors	shares			pre and post-tariffs			levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	44.0	29.4	2.9	0.0	1.6	1.6	3175	0.01	7825.1	-0.11	302.2	5.43	384.3	-1.36	352.0	2.37	847.1	-0.57	-7.7	876.2	-0.07	14.9	-60.0	0.0
Mining	1.5	1.3	2.5	0.0	0.3	0.3	1526	0.01	7917.6	-0.01	23.0	5.88	1532.9	0.19	85.9	2.34	6639.1	-0.98	-67.1	668.5	-0.43	5.5	-10.0	0.0
Food, tobacco, beverages	52.2	96.5	0.9	0.0	12.1	12.1	11523	0.04	15706.2	0.01	376.7	1.03	344.6	0.05	936.2	5.10	34.1	0.89	44.0	241.8	0.25	44.9	-7.2	0.0
Textiles	19.6	54.9	23.9	0.0	31.7	31.7	788	0.13	1239.3	-6.45	153.3	89.19	629.1	-7.92	331.0	19.20	272.0	2.36	-17.1	90.5	-0.54	236.3	-22.2	0.0
Clothing	40.6	71.7	75.7	0.0	66.8	66.8	883	0.14	1191.2	-3.37	18.3	239.96	26.7	-4.67	160.9	9.70	63.6	2.09	-25.7	121.4	-1.64	31.7	-46.3	0.0
Other manufactured	2.4	34.3	3.7	0.0	4.5	4.5	24843	0.05	47399.1	-0.03	231.6	11.24	9561.2	0.16	3574.6	4.53	6841.5	-0.66	73.8	1040.2	0.18	442.0	-1.8	0.0
Services	62.9	50.0	0.0	0.0	0.0	0.0	66085	0.02	119109.4	0.03	0.1	9.77	0.1	0.24	0.1	0.01	0.1	-0.95	0.0	4830.8	0.03	0.0	0.0	0.0
Total or Average	8.1	27.0	6.5	0.0	5.6	5.6	108822	0.02	200387.8	-0.05	1105.3	20.83	12478.9	-0.31	5440.7	5.50	14697.5	-0.73	0.0	7869.4	-0.03	775.2	-11.3	-0.4
Swaziland																								
Sectors	shares			pre and post-tariffs			levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	90.0	87.8	0.2	0.0	0.7	0.7	68	0.00	187.8	-0.09	68.2	0.28	7.6	-0.31	26.8	0.16	3.7	-4.27	-0.3	23.3	-0.13	0.2	-67.8	0.0
Mining	89.4	76.4	0.0	0.0	0.5	0.5	1	0.00	15.2	0.00	5.9	0.11	0.7	0.17	4.9	0.50	1.5	-2.59	0.0	0.9	-0.07	0.0	-0.3	0.0
Food, tobacco, beverages	99.2	47.1	0.1	0.0	17.1	17.1	287	0.03	306.8	-0.09	128.3	0.32	1.1	0.50	200.9	5.27	226.0	-2.87	3.7	8.1	-0.65	0.3	-33.4	0.0
Textiles	99.3	77.3	0.4	0.0	46.0	46.0	24	0.06	17.4	-2.58	59.0	1.03	0.4	-0.97	31.3	2.41	9.2	-4.27	-0.2	2.3	-0.15	0.4	-59.3	0.0
Clothing	99.2	0.0	0.0	0.0	72.4	72.4	5	0.13	0.0	0.00	7.1	0.20	0.1	-0.82	0.0	0.00	0.0	0.00	0.0	0.0	0.00	0.0	-7.5	0.0
Other manufactured	92.5	56.4	0.0	0.0	6.8	6.8	282	0.09	196.0	-0.31	459.8	0.20	37.5	0.20	61.1	-0.01	47.1	-4.25	-3.1	6.3	-0.69	2.6	-0.7	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	369	0.03	741.6	0.06	0.1	0.21	0.1	0.17	0.1	-0.05	0.1	-1.73	0.0	51.6	0.06	0.0	0.0	0.0
Total or Average	92.0	53.1	0.1	0.0	6.3	6.3	1035	0.03	1464.8	-0.07	728.4	0.31	47.5	0.11	325.1	3.51	287.7	-3.16	0.0	92.5	-0.11	3.5	-13.8	-7.7



**Table A.7 cont.: FTA 7 Sector Disaggregated Results: % Change on Base**

Tanzania Simulation of FTA																								
Sectors	shares			pre and post-tariffs			levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	9.3	0.9	9.6	0.0	25.3	25.3	1257	0.00	2058.8	-0.01	1.3	15.40	13.1	-0.13	2.6	3.24	283.6	-0.25	-0.8	1818.2	-0.03	3.5	-3.9	0.0
Mining	3.0	0.3	18.4	0.0	16.6	16.6	18	0.03	26.3	-0.02	0.3	9.43	10.0	-0.01	0.0	1.59	1.1	-0.12	0.0	105.9	-0.03	1.7	-3.3	0.0
Food, tobacco, beverages	9.3	3.5	29.6	0.0	25.1	25.1	117	0.49	26.3	-0.14	10.0	46.78	97.8	-4.07	3.0	6.54	82.6	-0.14	-0.6	69.9	0.03	27.6	-13.0	0.0
Textiles	1.5	1.0	37.4	0.0	15.5	15.5	71	0.06	41.3	-0.59	1.1	93.40	71.2	-0.92	0.3	129.55	32.9	0.88	0.4	58.4	0.65	11.4	-4.4	0.0
Clothing	0.2	0.0	26.5	0.0	14.4	14.4	24	0.03	4.1	0.53	0.1	81.10	24.6	-0.23	0.0	0.00	1.0	1.71	0.0	4.7	0.76	3.6	-0.6	0.0
Other manufactured	1.0	5.6	13.9	0.0	18.7	18.7	755	0.07	180.9	-0.01	9.2	14.84	870.9	-0.07	4.7	25.79	79.8	0.92	1.1	66.2	0.56	164.1	-0.9	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	1073	0.01	1474.5	0.01	0.1	0.03	0.1	0.02	0.1	0.10	0.1	-0.09	0.0	1472.5	0.01	0.0	0.0	0.0
Total or Average	2.0	2.2	21.9	0.0	19.0	19.0	3315	0.03	3812.2	-0.01	22.1	33.62	1087.8	-0.49	10.8	17.91	481.2	0.04	0.0	3595.9	0.01	211.8	-2.7	-0.5
Zambia Simulation of FTA																								
Sectors	shares			pre and post-tariffs			levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	29.4	22.9	6.2	0.0	5.2	5.2	93	-0.01	459.2	-0.24	13.6	8.10	32.6	-0.90	9.8	24.25	32.9	2.51	2.4	41.3	0.39	2.5	-33.7	0.0
Mining	64.7	0.1	11.3	0.0	11.2	11.2	4	0.00	203.9	-0.67	19.3	9.09	10.5	-1.02	0.6	1.41	1122.8	3.20	34.2	60.1	2.61	3.3	-65.2	0.0
Food, tobacco, beverages	89.6	69.2	18.8	0.0	8.2	8.2	350	0.27	438.6	-2.29	43.6	26.67	5.1	-1.92	2.5	19.53	1.1	2.45	-11.0	62.1	-1.62	8.6	-95.4	0.0
Textiles	57.1	7.8	18.1	0.0	20.1	20.1	30	0.19	70.5	-10.58	19.3	51.12	14.5	-11.65	1.1	128.46	12.5	2.41	-6.5	19.1	-6.89	6.4	-59.8	0.0
Clothing	90.3	58.3	24.8	0.0	24.9	24.9	57	0.11	82.0	-3.15	3.4	79.56	0.4	-4.89	1.3	235.14	0.9	3.73	0.3	20.6	0.49	0.9	-90.7	0.0
Other manufactured	37.0	22.8	13.3	0.0	11.6	11.6	479	0.79	552.6	-2.51	231.3	11.77	393.1	-3.22	11.7	15.85	39.7	3.21	-19.3	94.0	-1.94	76.3	-42.4	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	887	-0.04	1855.5	-0.08	0.1	-0.17	0.1	-0.18	0.1	9.33	0.1	4.72	0.0	82.9	-0.07	0.0	0.0	0.0
Total or Average	41.8	2.2	14.0	0.0	11.4	11.4	1898	0.10	3662.3	-1.03	330.6	18.82	456.2	-3.26	27.0	33.56	1210.0	3.18	0.0	380.1	-0.63	98.1	-49.2	-10.5
Zimbabwe																								
Sectors	shares			pre and post-tariffs			levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	18.6	13.3	21.1	0.0	22.2	22.2	341	-0.19	720.6	-1.28	21.8	25.13	95.6	0.02	72.8	16.71	474.2	-3.38	-9.4	309.6	-1.28	25.8	-18.1	0.0
Mining	76.3	18.2	5.0	0.0	6.0	6.0	110	-0.31	332.9	-1.30	35.2	0.91	10.9	-0.65	13.7	10.95	61.6	-7.27	-3.2	49.6	-1.79	2.4	-73.1	0.0
Food, tobacco, beverages	35.6	52.9	22.2	0.0	19.2	19.2	713	-0.40	869.0	-1.35	20.4	39.80	36.8	0.04	41.5	30.34	37.0	-7.33	1.6	42.1	-0.16	11.6	-39.1	0.0
Textiles	51.8	63.7	31.4	0.0	30.1	30.1	138	0.06	210.2	-18.42	38.4	114.19	35.8	-13.56	47.5	97.22	27.1	-7.28	4.3	25.3	1.93	22.8	-59.2	0.0
Clothing	41.2	58.7	92.6	0.0	92.0	92.0	41	-0.61	52.6	-3.68	0.6	231.78	0.9	4.86	18.2	221.85	12.8	-15.36	36.6	20.1	43.70	1.4	-38.5	0.0
Other manufactured	25.4	47.3	18.4	0.0	14.6	14.6	1373	0.31	1169.5	-4.58	342.3	15.26	1004.0	-3.25	216.5	17.72	241.1	-4.38	-29.9	110.3	-0.44	209.6	-32.9	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	1525	-0.59	2446.4	-0.94	0.1	-2.95	0.1	0.40	0.1	3.60	0.1	-10.09	0.0	684.2	-0.95	0.0	0.0	0.0
Total or Average	27.8	32.5	18.8	0.0	15.8	15.8	4240	-0.21	5801.3	-2.46	458.8	32.47	1184.2	-3.16	410.3	36.86	853.9	-4.42	0.0	1241.2	-0.21	273.6	-34.4	-6.5

Notes: SUSm average 1990-2 for financial variables; Government revenue excludes grants; '000' for employment Imports and exports valued fob; Average tariff uses import weights; D: Domestic demand; SM: Import competing production; MS: imports from SADC; MR: Imports from the ROW; ES: Exports to SADC; ER: Exports to the ROW; dBOP: change in Balance of Payments; L: Labour employed; CR: Customs Revenue; GR: Government Revenue; tMS1,M: Tariffs, SADC, initial, import weighted; tMS2,M: Tariffs, SADC, initial, import weighted, final; tMR1,M: Tariffs, SADC, initial, import weighted, R: ROW.

**Table A.8: Cumin 7 Sector disaggregated Results: % Change on Base  
Large Export Elasticities, Market Clearing Taxes and Subsidies**

Angola																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	dMS1, M	dMS2, M	dMR1, M	dMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	240	0.1	4.4	0.0	8.5	0.29	852	-0.12	1872.0	-0.29	9.3	3.66	29.5	0.00	0.0	40.16	16.9	-5.85	-1.3	3191.9	-0.34	2.9	-91.9	0.0
Mining	0.2	0.0	10.5	0.0	19.7	0.03	1219	-0.10	498.0	-0.38	0.0	17.71	2.9	28.51	0.0	0.00	3154.0	1.64	54.0	212.8	0.52	0.6	-99.8	0.0
Food, toba	39.4	2.9	4.2	0.0	12.0	6.91	538	0.68	269.8	-0.97	173.9	3.75	267.3	0.20	2.0	-4.90	65.5	15.94	-3.1	36.0	0.76	39.3	-51.4	0.0
Textiles	34.3	0.0	30.1	0.0	28.7	4.25	89	1.87	89.4	-35.64	32.1	-47.92	61.6	33.75	0.0	0.00	0.0	58.33	-30.0	13.2	-35.60	27.3	-88.2	0.0
Clothing	25.9	0.0	34.5	0.0	28.2	14.37	87	1.91	77.2	-11.53	9.6	82.35	27.6	13.36	0.0	0.00	0.0	48.69	-11.6	7.7	-11.52	11.1	-59.6	0.0
Other manu	2.3	0.6	17.4	0.0	9.2	5.11	1209	0.39	683.0	-0.82	28.2	10.33	1194.4	1.77	1.4	12.58	123.1	4.33	-14.0	64.8	-1.41	114.7	-45.7	0.0
Services	30.0	30.0	0.0	0.0	0.0	0.00	3981	-0.18	4781.8	-0.28	0.1	-0.27	0.1	-0.29	0.1	-0.69	0.1	-9.02	0.0	713.5	-0.28	0.0	0.0	0.0
Total ex An	138	0.1	10.1	0.0	10.8	8.4	6974	0.03	11971.2	-0.63	253.2	13.13	1583.4	2.59	3.5	2.44	3689.8	2.04	0.0	4249.8	-0.39	196.0	-54.8	-11.7
Botswana																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	dMS1, M	dMS2, M	dMR1, M	dMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	81.1	37.4	0.1	0.0	3.74	1.6	158	-0.04	301.4	-0.72	99.0	0.81	33.1	1.80	17.2	1.04	12.8	-4.58	-1.6	5.8	-0.81	1.0	-61.0	0.0
Mining	92.6	0.4	0.0	0.0	0.58	0.0	46	-0.10	142.9	-0.39	6.0	0.79	0.5	0.35	4.6	7.69	1210.3	-2.11	-25.3	7.9	-1.90	0.0	-94.9	0.0
Food, toba	79.9	39.8	0.1	0.0	29.91	3.3	282	0.39	137.4	-0.46	182.6	-2.62	46.0	17.56	102.4	9.12	154.7	2.48	9.8	6.4	3.33	13.9	-87.9	0.0
Textiles	83.6	22.1	1.9	0.0	44.30	4.2	46	0.98	13.6	-10.82	66.1	-9.78	13.0	73.22	12.6	26.00	44.4	32.55	13.8	4.2	23.04	7.0	-86.2	0.0
Clothing	97.8	0.0	6.6	0.0	72.86	14.4	24	1.54	0.0	0.00	30.4	-0.37	0.7	109.76	0.0	0.00	0.0	0.00	-0.6	0.0	0.00	2.5	-91.9	0.0
Other manu	86.0	27.1	0.4	0.0	5.69	3.2	817	0.42	129.8	-0.14	1095.9	0.01	179.0	1.96	48.2	12.38	116.5	3.22	4.0	14.4	2.86	14.5	-58.7	0.0
Services	45.8	30.0	0.0	0.0	0.00	0.0	2013	-0.12	3186.6	-0.19	0.1	3.44	0.1	-0.04	0.1	0.08	0.1	-0.87	0.0	188.1	-0.19	0.0	0.0	0.0
Total ex An	84.9	10.5	0.5	0.0	11.8	3.2	3366	0.06	3811.7	-0.27	1480.1	-0.60	262.3	8.59	180.1	10.27	1536.8	-0.27	0.0	226.8	0.46	38.8	-76.3	-14.6
Lesotho																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	dMS1, M	dMS2, M	dMR1, M	dMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	82.6	97.9	0.0	0.0	0.7	0.3	101	-0.08	111.8	-0.40	80.7	0.53	17.0	-1.40	13.1	-0.63	0.3	10.51	-0.2	577.3	-0.48	0.1	-60.5	0.0
Mining	81.1	0.0	0.0	0.0	0.1	0.0	4	-0.24	1.5	-0.90	11.5	-0.85	2.7	-1.12	0.0	0.00	0.0	0.00	0.1	6.1	-0.90	0.0	-70.8	0.0
Food, toba	88.2	30.7	0.0	0.0	18.3	4.7	303	-0.26	258.6	-0.36	130.5	-1.48	17.8	9.40	20.6	-0.82	46.5	1.84	0.9	2.3	-0.06	3.3	-72.9	0.0
Textiles	96.8	62.5	13.1	0.0	48.7	4.2	47	1.57	9.9	-15.82	88.8	3.55	2.9	61.11	7.4	19.67	4.5	56.01	-1.3	6.9	10.95	13.1	-98.5	0.0
Clothing	99.7	0.0	1.4	0.0	74.9	14.4	46	0.68	0.0	0.00	61.5	0.39	0.2	134.61	0.0	0.00	0.0	0.00	-0.6	0.0	0.00	1.0	-94.8	0.0
Other manu	90.6	51.7	0.0	0.0	11.4	4.7	312	-0.01	40.9	-0.33	473.0	-0.99	49.1	7.58	5.8	6.83	5.4	-3.22	1.0	3.1	0.77	5.7	-52.5	0.0
Services	50.0	30.0	0.0	0.0	0.0	0.0	466	-0.19	764.4	-0.31	0.1	-0.05	0.1	-0.05	0.1	-0.20	0.1	-3.97	0.0	247.4	-0.31	0.0	0.0	0.0
Total ex An	99.4	45.3	1.5	0.0	11.7	3.7	1279	-0.02	1188.1	-0.48	849.2	-0.31	89.7	8.80	47.0	3.41	56.7	5.64	0.0	843.1	-0.34	23.1	-83.5	-46.4

**Table A.8 Cont.: C Umin 7 Sector Disaggregated Results: % Change on Base**

Malawi																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	MS1, M	MS2, M	MR1, M	MR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	43.9	6.6	18.4	0.0	4.8	0.1	171	-0.39	451.1	-1.73	9.3	23.42	11.9	3.70	25.9	15.67	365.9	4.87	19.2	329.6	0.84	2.3	-99.4	0.0
Mining	62.5	0.0	6.1	0.0	9.0	0.0	0	0.00	0.0	0.00	0.6	-0.38	0.4	0.40	0.0	0.00	0.0	0.00	0.0	0.0	0.0	0.1	-99.8	0.0
Food, tobacco	90.3	34.2	20.8	0.0	20.8	2.1	318	-0.97	385.2	-3.11	36.8	18.61	4.0	26.19	4.2	20.55	3.1	-5.91	-7.5	44.3	-2.76	3.5	-98.8	0.0
Textiles	39.9	99.8	39.3	0.0	33.3	4.2	32	0.63	53.1	-37.83	16.2	70.73	10.8	41.39	14.4	112.97	0.0	39.79	-0.5	8.3	2.30	10.2	-93.6	0.0
Clothing	81.3	98.1	40.0	0.0	39.9	14.4	15	0.93	18.6	-8.92	2.2	79.96	0.5	33.88	1.9	204.28	0.0	60.99	1.7	3.8	10.94	1.1	-91.0	0.0
Other manu	33.5	48.3	19.9	0.0	20.7	4.5	274	2.91	222.3	-4.20	127.6	7.31	253.1	4.50	13.2	16.40	14.1	62.64	-12.6	22.5	2.71	77.7	-84.6	0.0
Services	30.0	30.0	0.0	0.0	0.0	0.0	1076	-0.66	1911.5	-1.17	0.1	-3.41	0.1	-3.05	9.1	2.19	0.1	21.14	0.0	201.0	-1.17	0.0	0.0	0.0
Total or Av	49.7	13.3	21.8	0.0	20.6	4.3	1886	-0.25	3041.9	-2.23	192.8	17.46	280.8	6.29	59.7	45.60	388.3	6.76	0.0	610.1	0.07	99.8	-87.2	-19.2
Mauritius																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	MS1, M	MS2, M	MR1, M	MR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	12.6	0.8	10.9	0.0	5.8	1.8	23	0.61	27.3	-0.34	8.1	13.54	56.3	3.40	3.0	41.91	381.2	16.73	62.7	43.8	11.48	4.2	-74.8	0.0
Mining	99.9	10.8	15.0	0.0	14.4	0.0	0	0.55	3.3	-4.83	4.4	11.36	0.0	11.04	0.0	0.97	0.1	9.06	-0.5	0.2	-4.89	0.7	-100.0	0.0
Food, tobacco	22.8	2.3	16.8	0.0	16.4	4.1	249	4.60	134.2	-13.02	46.7	17.48	158.1	15.33	1.1	13.73	43.6	-22.40	-42.8	13.4	-10.19	33.8	-77.1	0.0
Textiles	3.8	16.1	18.1	0.0	4.2	4.2	146	1.44	69.8	10.68	14.6	55.12	371.9	1.35	75.5	108.78	392.4	23.30	155.5	4.8	33.67	18.5	-13.2	0.0
Clothing	2.1	0.1	71.4	0.0	74.2	14.4	151	2.79	208.7	-7.07	0.2	242.63	11.8	196.12	0.2	139.81	302.1	-26.16	-105.1	69.8	-18.31	9.0	-43.8	0.0
Other manu	10.7	3.8	30.6	0.0	32.6	3.5	482	12.00	223.3	-8.47	98.5	18.02	819.2	15.81	6.5	8.29	165.4	52.69	-68.3	18.9	5.09	297.6	-83.8	0.0
Services	30.0	30.0	0.0	0.0	0.0	0.0	1476	2.02	2928.7	-4.00	0.1	8.70	0.1	9.76	0.1	1.28	0.1	-25.86	0.0	136.4	-4.01	0.0	0.0	0.0
Total or Av	10.9	6.3	24.5	0.0	22.7	3.8	2525	2.73	3595.2	2.18	172.7	21.16	1417.4	12.94	86.3	97.68	1286.8	11.90	0.0	287.4	-0.37	363.6	-82.6	-35.2
Mozambique																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	MS1, M	MS2, M	MR1, M	MR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	27.9	4.2	11.7	0.0	3.8	0.4	347	-0.03	642.0	-0.76	30.8	13.34	29.5	0.46	6.7	28.05	153.5	8.39	10.3	8.1	0.23	6.7	-93.2	0.0
Mining	78.3	0.7	3.1	0.0	2.7	0.0	2	0.13	3.0	-1.29	2.3	3.18	0.6	-1.03	0.0	-0.67	0.5	21.43	0.0	2.5	2.12	0.1	-99.8	0.0
Food, tobacco	70.9	5.4	26.4	0.0	14.7	4.4	335	1.55	274.0	-7.19	118.9	20.85	48.8	3.60	1.7	7.70	30.3	15.68	-21.8	25.1	-3.07	38.6	-94.3	0.0
Textiles	21.5	67.7	31.7	0.0	28.0	4.2	66	1.19	97.2	-14.82	9.0	64.18	33.0	36.75	4.1	125.59	2.0	53.05	-12.1	8.2	-7.90	12.4	-84.8	0.0
Clothing	77.2	74.8	34.9	0.0	34.9	14.4	51	1.77	59.8	-6.83	6.5	79.49	1.9	20.90	1.5	230.12	0.5	57.33	-2.2	3.1	-0.64	2.9	-87.9	0.0
Other manu	27.6	4.4	13.5	0.0	11.8	4.4	379	2.50	189.2	-2.12	127.6	6.56	534.0	2.77	5.3	7.23	114.0	-41.70	26.0	21.7	7.39	56.7	-73.6	0.0
Services	30.0	30.0	0.0	0.0	0.0	0.0	409	0.20	664.7	0.33	0.1	-0.70	0.1	-0.59	0.1	2.02	0.1	20.71	0.0	31.4	0.33	0.0	0.0	0.0
Total or Av	37.2	6.1	19.5	0.0	12.0	3.8	1889	0.69	1930.0	-2.33	295.2	17.01	497.9	4.83	19.4	56.68	306.9	22.14	0.0	100.1	0.34	117.4	-83.2	-17.7

**Table A.8 cont.: C Umin 7 Sector Disaggregated Results: % Change on Base**

Namibia																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	92.7	87.7	0.2	0.0	5.8	1.6	80	0.06	189.8	0.09	28.6	0.20	4.6	2.80	179.1	-0.29	24.3	2.81	0.1	195.1	0.16	0.7	-89.3	0.0
Mining	45.2	1.3	0.0	0.0	0.0	0.0	7	0.01	98.7	0.08	3.2	0.38	9.9	0.09	7.0	-0.86	521.6	-0.10	-0.7	15.1	-0.08	0.0	0.1	0.0
Food, tobacco	82.0	32.9	0.0	0.0	16.7	5.5	234	0.49	105.2	-1.83	197.3	-1.18	43.3	13.70	152.5	-0.04	310.8	5.15	12.3	4.4	2.15	7.3	-62.5	0.0
Textiles	91.9	94.4	0.2	0.0	16.7	4.2	23	0.39	16.5	-5.34	51.2	-3.77	4.5	68.50	24.1	-33.40	1.4	16.88	-9.4	13.2	-30.68	1.7	-81.6	0.0
Clothing	93.3	0.0	0.2	0.0	75.3	14.4	32	1.09	0.0	0.00	43.9	-6.99	3.1	121.45	0.0	0.00	0.0	0.00	-0.8	0.0	0.00	2.5	-59.4	0.0
Other manu	91.8	33.8	0.0	0.0	7.4	3.7	399	0.51	76.5	0.11	719.5	0.19	63.9	2.98	34.1	0.80	66.7	3.38	-1.5	6.0	0.68	4.8	-48.7	0.0
Services	30.0	30.0	0.0	0.0	0.0	0.0	1185	0.05	2308.1	0.10	0.1	0.15	0.1	0.12	0.1	0.10	0.1	-0.39	0.0	171.4	0.10	0.0	0.0	0.0
Total or Av	89.3	29.7	0.1	0.0	12.6	4.2	1989	0.13	2854.7	-0.01	1078.7	-0.40	129.6	11.49	390.9	-2.18	924.9	2.04	0.0	405.2	-0.82	17.0	-61.1	-29.3
South Africa																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	44.0	29.4	2.9	0.0	1.6	1.1	3175	0.01	7825.1	0.02	302.2	4.96	384.3	-3.59	352.0	2.51	847.1	6.32	61.2	876.2	0.68	14.9	-72.4	0.0
Mining	1.5	1.3	2.5	0.0	0.3	0.0	1526	0.00	7917.6	0.02	23.0	7.08	1532.9	-0.32	85.9	2.09	6639.1	4.35	282.4	688.5	2.00	5.5	-91.5	0.0
Food, tobacco	52.2	96.5	0.9	0.0	12.1	3.7	11523	0.05	15706.2	-0.21	376.7	0.82	344.6	10.87	936.2	3.48	34.1	7.46	-5.7	241.8	0.00	44.9	-40.5	0.0
Textiles	19.6	54.9	23.9	0.0	31.7	4.2	788	0.72	1239.3	-37.21	153.3	55.45	629.1	65.69	331.0	12.73	272.0	23.13	-385.9	90.5	-19.32	236.3	-81.3	0.0
Clothing	40.6	71.7	75.7	0.0	66.8	14.4	883	0.40	1191.2	-6.45	18.3	229.21	26.7	157.05	160.9	6.26	63.6	21.29	-40.8	121.4	-3.76	31.7	-68.9	0.0
Other manu	2.4	34.3	3.7	0.0	4.5	2.1	24843	0.09	47399.1	-0.63	231.6	12.61	9261.2	3.25	3574.6	3.32	6841.5	4.90	109.4	1940.2	0.33	442.0	-27.4	0.0
Services	62.9	30.0	0.0	0.0	0.0	0.0	66085	0.00	119109.4	-0.01	0.1	7.67	0.1	-0.96	0.1	0.53	0.1	4.29	0.0	4830.8	-0.01	0.0	0.0	0.0
Total or Av	8.1	27.0	6.5	0.0	5.6	2.8	106822	0.02	200387.8	-0.44	1105.3	16.09	12478.9	6.28	5440.7	3.94	14697.5	5.14	0.0	7869.4	0.01	775.2	-48.1	-1.6
Swaziland																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	90.0	87.8	0.2	0.0	0.7	0.4	62	0.06	187.8	0.13	68.2	0.63	7.6	-0.65	26.8	-0.09	3.7	1.38	-0.4	23.3	0.14	0.2	-80.0	0.0
Mining	89.4	76.4	0.0	0.0	0.5	0.0	1	0.04	15.2	0.69	5.9	0.68	0.7	0.68	4.9	1.00	1.5	4.53	0.1	0.9	1.03	0.0	-94.1	0.0
Food, tobacco	99.2	47.1	0.1	0.0	17.1	11.7	287	0.26	306.8	0.24	128.3	0.53	1.1	11.54	200.9	-4.51	226.0	3.79	16.8	8.1	1.77	0.3	-50.8	0.0
Textiles	99.3	77.3	0.4	0.0	46.0	4.2	24	0.33	17.4	-8.58	39.0	2.73	0.4	90.35	31.3	-35.34	9.2	1.38	-12.9	2.3	-30.89	0.4	-91.8	0.0
Clothing	99.2	0.0	0.0	0.0	72.4	14.4	5	0.80	0.0	0.00	7.1	0.23	0.1	125.47	0.0	0.00	0.0	0.00	-0.1	0.0	0.00	0.0	-58.2	0.0
Other manu	92.2	56.4	0.0	0.0	6.8	3.4	282	0.61	196.0	0.16	429.8	0.61	37.5	2.35	61.1	-0.41	47.1	1.40	-3.5	6.3	0.17	2.6	-46.1	0.0
Services	50.0	30.0	0.0	0.0	0.0	0.0	369	0.31	740.6	0.62	0.1	0.26	0.1	0.23	0.1	0.63	0.1	5.83	0.0	51.6	0.62	0.0	0.0	0.0
Total or Av	92.0	83.1	0.1	0.0	6.3	3.1	1038	0.24	1466.8	0.33	728.4	0.80	47.5	2.92	325.1	-0.08	287.7	3.30	0.0	92.5	0.04	3.5	-54.1	-39.1



**Table A.8 cont.: C Umin 7 Sector Disaggregated Results: % Change on Base**

Tanzania																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1,M	tMS2,M	tMR1,M	tMR2,M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	9.3	0.9	9.6	0.0	25.3	1.0	1257	0.09	2058.8	-0.08	1.3	12.01	13.1	34.76	2.6	-1.48	283.6	4.33	7.5	1818.2	-0.40	3.5	-94.7	0.0
Mining	3.0	0.3	18.4	0.0	16.6	0.0	18	1.30	26.3	0.60	0.3	9.29	10.0	7.94	0.0	3.10	1.1	12.64	-0.7	10.59	1.09	1.7	-99.8	0.0
Food, tobacco	9.3	3.5	19.6	0.0	25.1	5.3	117	3.34	26.3	-10.98	10.0	41.37	97.8	3.41	3.0	-9.61	81.6	7.60	-1.6	69.9	-4.15	27.6	-82.2	0.0
Textiles	1.5	1.0	37.4	0.0	15.5	4.2	71	1.77	41.3	-10.34	1.1	73.56	71.3	9.50	0.3	120.41	31.9	31.24	2.7	58.4	-8.48	11.4	-71.1	0.0
Clothing	0.2	0.0	26.5	0.0	14.4	14.4	24	0.31	41	19.29	0.1	79.10	24.6	-3.20	0.0	0.00	1.0	48.37	0.9	4.7	24.85	3.6	-3.6	0.0
Other manu	1.0	5.6	13.9	0.0	18.7	4.9	735	4.90	130.9	-0.17	9.2	6.71	370.9	6.09	4.7	24.48	79.8	61.04	-8.3	66.2	5.00	164.1	-72.5	0.0
Services	30.0	30.0	0.0	0.0	0.0	0.0	1073	0.30	1474.5	0.41	0.1	0.60	0.1	0.63	0.1	-0.81	0.1	-9.94	0.0	1472.5	0.41	0.0	0.0	0.0
Total ex An	2.0	2.2	21.9	0.0	19.0	5.0	3315	1.01	3612.2	-0.06	22.1	26.80	1087.8	6.25	10.8	11.37	481.2	16.25	0.0	3595.9	0.34	211.8	-73.1	-12.6
Zambia																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1,M	tMS2,M	tMR1,M	tMR2,M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	29.4	22.9	6.2	0.0	5.2	0.1	93	0.00	459.2	-0.38	13.6	8.42	32.6	2.12	9.8	22.15	31.9	12.45	-4.4	41.3	0.36	2.5	-96.2	0.0
Mining	64.7	0.1	11.3	0.0	11.2	0.0	4	0.02	203.9	-0.16	19.3	9.19	10.5	8.53	0.6	0.00	1123.8	6.14	65.7	69.1	5.17	3.3	-99.9	0.0
Food, tobacco	89.6	69.2	18.8	0.0	8.2	2.5	330	0.25	488.6	-3.04	49.6	31.48	5.1	18.16	2.5	5.52	1.1	-16.32	-14.7	62.1	-2.14	8.6	-96.2	0.0
Textiles	57.1	7.8	18.1	0.0	20.1	4.2	30	0.39	70.5	-19.86	19.3	52.74	14.5	36.45	1.1	88.64	12.5	-15.51	-16.5	19.1	-17.83	6.4	-86.9	0.0
Clothing	90.3	88.3	24.8	0.0	34.9	14.4	57	0.77	82.0	-2.20	3.4	78.47	0.4	26.23	1.3	223.82	0.9	10.16	0.1	29.6	1.32	0.9	-92.9	0.0
Other manu	37.0	22.8	13.2	0.0	11.6	4.0	479	2.27	552.6	-2.36	231.3	10.28	393.1	3.97	11.7	8.67	39.7	18.41	-38.9	94.0	-1.86	76.3	-73.3	0.0
Services	30.0	30.0	0.0	0.0	0.0	0.0	887	-0.13	1855.5	-0.27	0.1	0.13	0.1	0.19	0.1	5.94	0.1	-20.65	0.0	82.9	-0.27	0.0	0.0	0.0
Total ex An	41.8	2.2	14.0	0.0	11.4	3.7	1898	0.34	3662.3	-1.33	330.6	18.39	456.2	5.15	27.0	26.26	1210.0	6.47	0.0	380.1	-0.85	98.1	-82.0	-17.5
Zimbabwe																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1,M	tMS2,M	tMR1,M	tMR2,M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	18.6	13.3	21.1	0.0	22.2	0.6	341	-0.09	720.6	-3.00	21.8	21.27	95.6	15.69	72.8	17.33	474.2	15.06	64.4	309.6	0.52	25.8	-97.8	0.0
Mining	76.3	18.2	5.0	0.0	6.0	0.0	110	-0.21	332.9	-0.91	35.2	-0.10	10.9	2.74	13.7	13.63	61.6	7.81	6.1	49.6	0.89	2.4	-99.9	0.0
Food, tobacco	35.6	52.9	22.2	0.0	19.2	4.1	713	0.10	889.0	-2.08	20.4	32.62	38.8	33.60	41.5	23.70	37.0	12.75	-1.2	42.1	-0.22	11.6	-81.7	0.0
Textiles	51.8	63.7	31.4	0.0	30.1	4.2	138	0.45	210.2	-31.07	38.4	100.97	35.8	81.58	47.5	83.67	27.1	2.99	-38.9	25.3	-8.69	22.8	-87.9	0.0
Clothing	41.2	38.7	92.6	0.0	92.0	14.4	41	-0.58	52.6	-6.87	0.6	230.33	0.9	196.41	18.2	210.21	13.8	-15.97	32.5	20.1	39.05	1.4	-72.9	0.0
Other manu	25.4	47.3	18.4	0.0	14.6	3.5	1373	2.05	1169.5	-7.97	340.3	9.84	1004.0	7.40	216.5	18.73	241.1	13.05	-68.2	110.3	-0.64	309.6	-81.8	0.0
Services	50.0	30.0	0.0	0.0	0.0	0.0	1525	-0.49	2486.4	-0.73	0.1	-4.90	0.1	-0.54	0.1	-4.82	0.1	-1.85	0.0	694.2	-0.78	0.0	0.0	0.0
Total ex An	27.8	32.5	18.8	0.0	18.8	3.3	4240	0.22	5801.3	-3.86	458.8	24.76	1184.2	11.25	410.3	35.84	883.9	13.02	0.0	1241.2	0.12	273.6	-83.9	-15.9

Notes: SUsM average 1990-2 for financial variables; Government revenue excludes grants; '000' for employment Imports and exports valued fob; Average tariff uses import weights; D: Domestic demand; SM: Import competing production; MS: imports from SADC; MR: Imports from the ROW; ES: Exports to SADC; ER: Exports to the ROW; dBOP: change in Balance of Payments; L: Labour employed; CR: Customs Revenue; GR: Government Revenue; tMS1,M: Tariffs, SADC, initial, import weighted; tMS2,M: Tariffs, SADC, initial, import weighted, final; tMR1,M: Tariffs, SADC, initial, import weighted, R: ROW.

**Table A.9: FT 7 Sector Disaggregated Results: % Change on Base  
Large Export Elasticities, Market Clearing Taxes and Subsidies**

<b>Angola</b>																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	24.0	0.1	4.4	0.0	8.5	0.00	852	-0.20	1872.0	-0.50	9.3	3.96	29.5	0.00	0.0	37.58	16.9	-8.12	-1.7	3191.9	-0.56	2.9	-100.0	0.0
Mining	0.2	0.0	10.5	0.0	19.7	0.00	1219	-0.20	4198.0	-0.70	0.0	17.84	2.9	27.82	0.0	0.00	3354.0	2.82	93.3	212.8	0.86	0.6	-100.0	0.0
Food, tobacco, beverages	39.4	2.9	4.2	0.0	12.0	0.00	538	1.14	269.8	-1.63	173.9	0.26	267.3	4.36	2.0	-4.59	65.5	21.80	1.7	36.0	0.58	39.3	-100.0	0.0
Textiles	34.3	0.0	30.1	0.0	28.7	0.00	89	1.95	89.4	-28.71	32.1	43.85	61.6	30.82	0.0	0.00	0.0	63.66	-33.0	13.2	-28.66	27.3	-100.0	0.0
Clothing	25.9	0.0	34.5	0.0	28.2	0.00	87	2.36	77.2	-21.50	9.6	72.12	27.6	47.84	0.0	0.00	0.0	46.43	-20.2	7.7	-21.49	11.1	-100.0	0.0
Other manufactured	2.3	0.6	17.4	0.0	9.2	0.00	1209	2.06	683.0	-2.54	28.2	7.53	1194.4	4.50	1.4	12.02	223.1	7.22	-39.7	64.8	-3.68	114.7	-100.0	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.00	2981	-0.34	4781.8	-0.54	0.1	-0.52	0.1	-0.55	0.1	-1.26	0.1	-14.57	0.0	723.5	-0.54	0.0	0.0	0.0
<b>Total or Average</b>	<b>13.8</b>	<b>0.1</b>	<b>10.1</b>	<b>0.0</b>	<b>10.8</b>	<b>0.0</b>	<b>6974</b>	<b>0.07</b>	<b>11971.2</b>	<b>-1.07</b>	<b>253.2</b>	<b>9.45</b>	<b>1583.4</b>	<b>6.24</b>	<b>3.5</b>	<b>2.36</b>	<b>3659.5</b>	<b>3.37</b>	<b>0.0</b>	<b>4249.8</b>	<b>-0.65</b>	<b>196.0</b>	<b>-100.0</b>	<b>-21.3</b>
<b>Botswana</b>																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	81.1	57.4	0.1	0.0	3.74	0.0	158	-0.03	201.4	-1.16	99.0	1.20	23.1	4.16	17.2	-0.42	12.8	-6.11	-3.0	5.8	-1.39	1.0	-100.0	0.0
Mining	92.6	0.4	0.0	0.0	0.58	0.0	46	-0.11	142.9	-0.45	6.0	1.56	0.5	0.80	4.6	7.71	1210.3	-1.91	-22.9	7.9	-1.72	0.0	-100.0	0.0
Food, tobacco, beverages	79.9	39.8	0.1	0.0	29.91	0.0	282	1.06	137.4	-0.87	182.6	-2.54	46.0	19.82	102.4	8.50	154.7	4.88	11.7	6.4	3.89	13.9	-100.0	0.0
Textiles	83.6	22.1	1.9	0.0	44.30	0.0	46	1.10	13.6	-12.08	66.1	-10.54	13.0	82.21	12.6	21.92	44.4	37.14	14.7	4.2	24.96	7.0	-100.0	0.0
Clothing	97.8	0.0	6.6	0.0	72.86	0.0	24	1.71	0.0	0.00	30.4	-0.80	0.7	139.35	0.0	0.00	0.0	0.00	-0.7	0.0	0.00	2.5	-100.0	0.0
Other manufactured	86.0	27.1	0.4	0.0	5.69	0.0	817	0.81	129.8	-0.66	1095.9	0.04	179.0	4.69	43.2	10.64	116.5	5.56	0.1	14.4	3.33	14.5	-100.0	0.0
Services	45.8	50.0	0.0	0.0	0.00	0.0	2013	-0.12	3186.6	-0.19	0.1	3.42	0.1	-0.14	0.1	0.06	0.1	-0.28	0.0	188.1	-0.19	0.0	0.0	0.0
<b>Total or Average</b>	<b>84.9</b>	<b>10.5</b>	<b>0.5</b>	<b>0.0</b>	<b>11.8</b>	<b>0.0</b>	<b>3386</b>	<b>0.13</b>	<b>3811.7</b>	<b>-0.33</b>	<b>1480.1</b>	<b>-0.55</b>	<b>262.3</b>	<b>11.47</b>	<b>180.1</b>	<b>9.07</b>	<b>1538.8</b>	<b>0.43</b>	<b>0.0</b>	<b>226.8</b>	<b>0.53</b>	<b>38.8</b>	<b>-100.0</b>	<b>-19.2</b>
<b>Lesotho</b>																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	82.6	97.9	0.0	0.0	0.7	0.0	101	-0.09	111.8	-0.56	80.7	0.64	17.0	-1.70	13.1	-1.53	0.3	13.57	-0.4	577.3	-0.63	0.1	-100.0	0.0
Mining	81.1	0.0	0.0	0.0	0.1	0.0	4	-0.26	1.5	-0.99	11.5	-0.88	2.7	-1.46	0.0	0.00	0.0	0.00	0.1	6.1	-0.99	0.0	-100.0	0.0
Food, tobacco, beverages	88.2	30.7	0.0	0.0	18.3	0.0	303	-0.29	258.6	-0.39	133.5	-1.81	17.8	11.97	20.6	-1.42	46.5	4.71	2.2	2.3	0.23	3.3	-100.0	0.0
Textiles	96.8	62.5	13.1	0.0	48.7	0.0	47	1.60	9.9	-16.32	88.8	3.42	2.9	70.96	7.4	13.99	4.5	59.59	-1.7	6.9	9.52	13.1	-100.0	0.0
Clothing	99.7	0.0	1.4	0.0	74.9	0.0	46	0.77	0.0	0.00	61.5	0.63	0.2	154.62	0.0	0.00	0.0	0.00	-0.6	0.0	0.00	1.0	-100.0	0.0
Other manufactured	90.6	51.7	0.0	0.0	11.4	0.0	312	0.17	41.9	-0.62	473.0	-1.42	49.1	12.92	5.8	5.59	5.4	-1.00	0.4	3.1	0.66	5.7	-100.0	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	466	-0.20	764.4	-0.32	0.1	-0.21	0.1	-0.23	0.1	-0.03	0.1	-1.40	0.0	247.4	-0.32	0.0	0.0	0.0
<b>Total or Average</b>	<b>90.4</b>	<b>45.3</b>	<b>1.5</b>	<b>0.0</b>	<b>11.7</b>	<b>0.0</b>	<b>1279</b>	<b>0.00</b>	<b>1188.1</b>	<b>-0.50</b>	<b>849.2</b>	<b>-0.59</b>	<b>89.7</b>	<b>11.67</b>	<b>47.0</b>	<b>1.85</b>	<b>56.7</b>	<b>8.50</b>	<b>0.0</b>	<b>843.1</b>	<b>-0.45</b>	<b>23.1</b>	<b>-100.0</b>	<b>-55.6</b>

**Table A.9 cont.: FT 7 Sector Disaggregated Results: % Change on Base**

Malawi																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	43.9	6.6	18.4	0.0	4.8	0.0	171	-0.46	451.1	-1.93	9.3	23.30	11.9	3.45	25.9	14.08	365.9	6.40	24.5	329.6	1.18	2.3	-100.0	0.0
Mining	62.5	0.0	6.1	0.0	9.0	0.0	0	-0.09	0.0	0.00	0.6	-0.68	0.4	-0.19	0.0	0.00	0.0	0.00	0.0	0.8	0.00	0.1	-100.0	0.0
Food, tobacco, beverages	90.3	34.2	20.8	0.0	20.8	0.0	318	-1.24	385.2	-3.42	36.8	18.62	4.0	28.27	4.2	19.64	8.1	-5.89	-7.6	44.2	-3.05	8.5	-100.0	0.0
Textiles	59.9	99.8	39.3	0.0	35.2	0.0	32	0.54	53.1	-29.44	16.2	68.94	10.8	51.42	14.4	107.86	0.0	41.95	-1.9	8.3	-0.16	10.2	-100.0	0.0
Clothing	81.3	98.1	40.0	0.0	39.9	0.0	15	0.81	18.6	-9.94	2.2	78.52	0.5	70.34	1.9	201.75	0.0	64.23	1.5	3.8	9.78	1.1	-100.0	0.0
Other manufactured	33.5	48.3	19.9	0.0	20.7	0.0	274	3.36	222.3	-5.26	127.6	6.27	253.1	6.75	13.2	15.87	14.1	68.82	-16.0	22.5	2.37	77.7	-100.0	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	1076	-0.80	1911.5	-1.43	0.1	-4.03	0.1	-3.66	0.1	2.49	0.1	25.07	0.0	201.0	-1.43	0.0	0.0	0.0
Total or Average	40.7	13.3	21.8	0.0	20.6	0.0	1886	-0.33	3041.9	-2.58	192.8	16.40	280.8	8.75	59.7	43.42	388.3	8.43	0.0	610.1	0.09	99.8	-100.0	-22.0
Mauritius																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	12.6	0.8	10.9	0.0	5.8	0.0	23	0.69	27.2	-0.69	8.1	12.93	56.2	3.24	3.0	41.32	381.2	18.53	69.0	43.8	12.67	4.2	-100.0	0.0
Mining	99.9	10.8	15.0	0.0	14.4	0.0	0	0.58	3.3	5.09	4.4	11.67	0.0	11.40	0.0	-0.72	0.1	5.73	-0.5	0.2	5.08	0.7	-100.0	0.0
Food, tobacco, beverages	22.8	2.3	16.8	0.0	16.4	0.0	249	5.08	134.2	-15.08	46.7	17.38	158.1	18.17	1.1	11.76	45.6	-25.81	-49.0	13.4	-11.77	33.8	-100.0	0.0
Textiles	3.8	16.1	18.1	0.0	4.2	0.0	146	1.84	69.8	3.82	14.6	46.13	371.9	4.54	75.5	104.94	392.4	30.61	168.0	4.8	37.57	18.5	-100.0	0.0
Clothing	2.1	0.1	71.4	0.0	74.2	0.0	151	3.17	208.7	-8.58	0.2	237.49	11.8	233.55	0.2	132.48	302.1	-24.21	-103.3	69.8	-17.78	9.0	-100.0	0.0
Other manufactured	10.7	3.8	30.6	0.0	32.6	0.0	482	13.11	223.3	-7.96	98.5	17.54	819.2	17.69	6.5	5.68	165.4	53.74	-82.5	18.9	3.23	297.6	-100.0	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	1476	2.10	2928.7	4.17	0.1	10.29	0.1	11.44	0.1	0.58	0.1	-32.73	-0.1	136.4	4.17	0.0	0.0	0.0
Total or Average	10.9	6.3	24.5	0.0	22.7	0.0	2525	2.96	3595.2	1.91	172.7	20.07	1417.4	15.52	86.3	94.06	1286.8	15.13	0.0	287.4	-0.11	363.6	-100.0	-42.6
Mozambique																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	27.9	4.2	11.7	0.0	3.8	0.0	347	-0.05	642.0	-0.82	30.8	13.21	79.5	0.44	6.7	26.56	153.5	9.97	12.7	8.1	0.27	6.7	-100.0	0.0
Mining	78.3	0.7	3.1	0.0	2.7	0.0	2	0.10	3.0	-0.92	2.3	2.63	0.6	-1.90	0.0	-0.64	0.5	27.19	0.1	2.5	3.29	0.1	-100.0	0.0
Food, tobacco, beverages	70.9	5.4	26.4	0.0	14.7	0.0	335	1.57	274.0	-7.58	118.9	20.39	48.8	7.12	1.7	7.45	30.3	17.88	-22.3	25.1	-3.18	38.6	-100.0	0.0
Textiles	21.5	67.7	31.7	0.0	29.0	0.0	66	1.29	97.2	-16.72	9.0	60.21	33.0	44.29	4.1	121.31	2.0	60.01	-14.3	8.2	-9.74	12.4	-100.0	0.0
Clothing	77.2	74.8	34.9	0.0	34.9	0.0	51	1.89	59.8	-7.58	6.5	76.68	1.9	68.02	1.5	229.05	0.5	64.94	-2.8	3.1	-1.33	2.9	-100.0	0.0
Other manufactured	27.6	4.4	13.5	0.0	11.8	0.0	379	3.39	189.2	-3.02	127.6	6.10	334.0	5.00	5.2	6.71	114.0	49.02	26.9	21.7	8.60	56.7	-100.0	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	409	0.20	664.7	0.32	0.1	-0.93	0.1	-0.81	0.1	2.36	0.1	25.38	0.0	31.4	0.32	0.0	0.0	0.0
Total or Average	37.2	6.1	19.5	0.0	12.0	0.0	1589	0.81	1930.0	-2.61	295.2	16.27	497.9	7.31	19.4	55.02	300.9	26.01	0.0	100.1	0.43	117.4	-100.0	-21.3

**Table A.9 cont.: FT 7 Sector Disaggregated Results: % Change on Base**

Namibia																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	92.7	87.7	0.7	0.0	5.8	0.0	80	0.07	189.8	0.07	58.6	0.46	4.6	4.02	173.1	-1.13	24.3	5.83	-1.0	195.1	-0.10	0.7	-100.0	0.0
Mining	45.2	1.3	0.0	0.0	0.0	0.0	7	0.01	98.7	0.01	8.2	1.04	9.9	0.04	7.0	-1.86	521.6	0.03	0.0	15.1	0.01	0.0	-100.0	0.0
Food, tobacco, beverages	82.0	32.9	0.0	0.0	16.7	0.0	234	0.72	105.2	-2.79	197.3	-1.87	43.3	20.99	152.5	-0.72	310.8	7.49	16.6	4.4	2.95	7.3	-100.0	0.0
Textiles	91.9	94.4	0.2	0.0	36.7	0.0	23	0.45	16.5	-6.61	51.2	-2.58	4.5	76.34	24.1	-39.77	1.4	19.67	-11.2	13.2	-24.71	1.7	-100.0	0.0
Clothing	93.3	0.0	0.2	0.0	75.3	0.0	32	1.33	0.0	0.00	43.9	-8.60	3.1	149.22	0.0	0.00	0.0	0.00	-0.9	0.0	0.00	2.5	-100.0	0.0
Other manufactured	91.8	33.8	0.0	0.0	7.4	0.0	399	0.88	76.5	0.01	719.5	0.32	63.9	5.38	34.1	-0.21	66.7	5.49	-3.5	6.0	0.93	4.8	-100.0	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	1185	0.03	2368.1	0.07	0.1	0.15	0.1	0.11	0.1	0.00	0.1	-0.68	0.0	171.4	0.07	0.0	0.0	0.0
Total or Average	89.3	29.7	0.1	0.0	12.6	0.0	1959	0.17	2854.7	-0.08	1078.7	-0.45	129.6	16.10	390.9	-3.28	924.9	3.12	0.0	405.2	-0.78	17.0	-100.0	-33.3
South Africa																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	44.0	29.4	2.9	0.0	1.6	0.0	3175	-0.01	7825.1	-0.05	302.2	3.88	384.3	-2.53	352.0	2.78	847.1	11.61	106.1	876.2	1.14	14.9	-100.0	0.0
Mining	1.5	1.3	2.5	0.0	0.3	0.0	1526	-0.03	7917.6	0.00	23.0	6.44	1532.9	-1.28	85.9	2.32	6639.1	9.33	633.5	668.5	4.24	5.5	-100.0	0.0
Food, tobacco, beverages	52.2	96.5	0.9	0.0	12.1	0.0	11523	0.01	15706.2	-0.46	376.7	-0.06	344.6	21.35	936.2	2.70	34.1	13.43	-43.9	241.8	-0.25	44.9	-100.0	0.0
Textiles	19.6	54.9	23.9	0.0	31.7	0.0	788	0.76	1239.3	-41.60	153.3	49.89	629.1	76.03	331.0	12.03	272.0	29.44	-438.8	90.5	-21.48	236.3	-100.0	0.0
Clothing	40.6	71.7	75.7	0.0	66.8	0.0	883	0.37	1191.2	-7.44	18.3	225.50	26.7	201.66	160.9	5.01	63.6	27.25	-70.4	121.4	-4.46	31.7	-100.0	0.0
Other manufactured	2.4	34.3	3.7	0.0	4.5	0.0	24843	0.15	47399.1	-1.94	231.6	10.45	9561.2	9.81	3574.6	3.00	6841.5	9.96	-184.9	1040.2	-0.20	442.0	-100.0	0.0
Services	62.9	50.0	0.0	0.0	0.0	0.0	66085	-0.08	119109.4	-0.14	0.1	6.50	0.1	-2.10	0.1	0.86	0.1	8.83	0.0	4830.8	-0.14	0.0	0.0	0.0
Total or Average	8.1	27.0	6.5	0.0	5.6	0.0	108822	-0.02	200387.8	-0.88	1105.3	14.19	12478.9	12.14	5440.7	3.53	14697.5	10.22	0.0	7869.4	0.05	775.2	-100.0	-3.3
Swaziland																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	90.0	87.8	0.2	0.0	0.7	0.0	68	0.07	187.8	0.09	68.2	0.83	7.6	-0.62	26.8	-1.18	3.7	3.77	-0.7	23.3	-0.01	0.2	-100.0	0.0
Mining	89.4	76.4	0.0	0.0	0.5	0.0	1	0.04	15.2	0.75	5.9	0.80	0.7	0.49	4.9	0.89	1.5	8.68	0.1	0.9	1.34	0.0	-100.0	0.0
Food, tobacco, beverages	99.2	47.1	0.1	0.0	17.1	0.0	287	0.42	306.8	0.11	128.3	0.74	1.1	43.74	200.9	2.93	226.0	7.71	21.7	8.1	3.00	0.3	-100.0	0.0
Textiles	99.3	77.3	0.4	0.0	46.0	0.0	24	0.36	17.4	-7.68	59.0	3.12	0.4	98.54	31.3	-41.91	9.2	3.77	-15.0	2.3	-24.39	0.4	-100.0	0.0
Clothing	99.2	0.0	0.0	0.0	72.4	0.0	5	0.89	0.0	0.00	7.1	0.13	0.1	156.53	0.0	0.00	0.0	0.00	-0.1	0.0	0.00	0.0	-100.0	0.0
Other manufactured	92.5	56.4	0.0	0.0	6.8	0.0	282	0.81	196.0	-0.14	459.8	0.79	37.5	4.59	61.1	-3.75	47.1	3.81	-6.1	6.3	-0.53	2.6	-100.0	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	369	0.34	741.6	0.68	0.1	0.07	0.1	0.02	0.1	0.91	0.1	9.85	0.0	51.6	0.68	0.0	0.0	0.0
Total or Average	92.0	53.1	0.1	0.0	6.3	0.0	1035	0.29	1464.8	0.28	728.4	1.00	47.5	5.52	325.1	-3.01	287.7	6.90	0.0	92.5	0.01	3.5	-100.0	-55.6



**Table A.9 cont.: FT 7 Sector Disaggregated Results: % Change on Base**

Tanzania Simulation of FTA																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	9.3	0.9	9.6	0.0	25.3	0.0	1257	0.09	2058.8	-0.09	1.3	11.80	13.1	35.96	2.6	-1.39	283.6	8.16	18.2	1818.2	-0.47	3.5	-100.0	0.0
Mining	3.0	0.3	18.4	0.0	16.6	0.0	18	1.34	26.3	0.77	0.3	9.35	10.0	7.79	0.0	2.94	1.1	16.86	-0.6	105.9	1.42	1.7	-100.0	0.0
Food, tobacco, beverages	9.3	3.5	29.6	0.0	25.1	0.0	117	4.06	26.3	-12.07	10.0	27.51	97.8	6.17	3.0	-9.28	82.6	12.02	0.7	69.9	7.29	27.6	-100.0	0.0
Textiles	1.5	1.0	37.4	0.0	15.5	0.0	71	2.24	41.3	-14.55	1.1	66.02	71.2	13.15	0.3	122.34	32.9	42.00	3.4	58.4	11.02	11.4	-100.0	0.0
Clothing	0.2	0.0	26.5	0.0	14.4	0.0	24	3.66	4.1	-9.44	0.1	40.91	24.6	6.64	0.0	0.00	1.0	71.74	-1.0	47	6.08	3.6	-100.0	0.0
Other manufactured	1.0	5.6	13.9	0.0	18.7	0.0	755	6.40	180.9	-1.21	9.2	5.16	870.9	8.03	4.7	24.13	79.8	69.48	-19.6	66.2	4.30	164.1	-100.0	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	1073	0.31	1474.5	0.43	0.1	0.61	0.1	0.64	0.1	-0.83	0.1	-9.45	0.0	1472.5	0.43	0.0	0.0	0.0
Total or Average	2.0	2.2	21.9	0.0	19.0	0.0	3315	1.29	3812.2	-0.19	22.1	19.19	1087.8	8.50	10.8	11.39	481.2	21.45	0.0	3595.9	0.39	211.8	-100.0	-17.3
Zambia Simulation of FTA																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	29.4	22.9	6.2	0.0	5.2	0.0	93	-0.01	459.2	-0.34	13.6	9.04	32.6	2.13	9.8	21.15	32.9	11.87	4.1	41.3	0.12	2.5	-100.0	0.0
Mining	64.7	0.1	11.3	0.0	11.2	0.0	4	0.02	203.9	-0.05	19.3	9.42	10.5	8.34	0.6	-0.40	1122.8	7.65	82.4	60.1	6.46	3.3	-100.0	0.0
Food, tobacco, beverages	89.6	69.2	18.8	0.0	8.2	0.0	350	0.28	438.6	-3.13	43.6	31.91	5.1	24.92	2.5	4.06	1.1	-19.70	-15.3	62.1	-2.22	8.6	-100.0	0.0
Textiles	57.1	7.8	18.1	0.0	20.1	0.0	30	0.43	70.5	-21.96	19.3	52.60	14.5	47.79	1.1	82.47	12.5	-18.14	-18.5	19.1	-20.07	6.4	-100.0	0.0
Clothing	90.3	58.3	24.8	0.0	24.9	0.0	57	1.12	82.0	-1.65	3.4	74.18	0.4	65.30	1.3	224.26	0.9	21.90	0.1	20.6	1.99	0.9	-100.0	0.0
Other manufactured	37.0	22.8	13.3	0.0	11.6	0.0	479	4.11	552.6	-3.25	231.3	10.20	393.1	7.65	11.7	5.99	39.7	15.70	-52.6	94.0	-2.82	76.3	-100.0	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	887	-0.15	1855.5	-0.31	0.1	0.17	0.1	0.23	0.1	5.18	0.1	-24.18	0.0	82.9	-0.31	0.0	0.0	0.0
Total or Average	41.8	2.2	14.0	0.0	11.4	0.0	1898	0.43	3662.3	-1.53	330.6	17.77	456.2	8.78	27.0	24.37	1210.0	7.75	0.0	380.1	-0.99	98.1	-100.0	-21.3
Zimbabwe																								
Sectors	shares		pre and post-tariffs				levels and percentage changes																	
	MS%	ES%	tMS1, M	tMS2, M	tMR1, M	tMR2, M	D	%	SM	%	MS	%	MR	%	ES	%	ER	%	dBOP	L	%	CR	%	GR%
Agriculture	18.6	13.3	21.1	0.0	22.2	0.0	341	-0.10	720.6	-3.08	21.8	21.83	95.6	15.87	72.8	16.46	474.2	22.14	97.0	309.6	1.76	25.8	-100.0	0.0
Mining	76.3	18.2	5.0	0.0	6.0	0.0	110	-0.22	332.9	-0.96	35.2	0.08	10.9	2.18	13.7	13.10	61.6	13.81	9.6	49.6	1.74	2.4	-100.0	0.0
Food, tobacco, beverages	35.6	52.9	22.2	0.0	19.2	0.0	713	0.11	869.0	-2.41	20.4	32.84	36.8	41.39	41.5	33.10	37.0	17.06	-2.8	42.1	-0.36	11.6	-100.0	0.0
Textiles	51.8	63.7	31.4	0.0	30.1	0.0	138	0.47	210.2	-33.32	38.4	100.88	35.8	95.27	47.5	80.34	27.1	7.48	-34.1	25.3	-10.48	22.8	-100.0	0.0
Clothing	41.2	58.7	92.6	0.0	92.0	0.0	41	-0.65	52.6	-7.57	0.6	231.41	0.9	230.62	18.2	205.90	12.8	-13.75	31.7	20.1	38.02	1.4	-100.0	0.0
Other manufactured	25.4	47.3	18.4	0.0	14.6	0.0	1373	2.54	1169.5	-10.18	342.3	9.69	1004.0	11.78	216.5	17.26	241.1	18.45	-94.5	110.3	-1.62	209.6	-100.0	0.0
Services	50.0	50.0	0.0	0.0	0.0	0.0	1525	-0.52	2446.4	-0.83	0.1	-4.96	0.1	-1.24	0.1	4.82	0.1	3.11	0.0	684.2	-0.83	0.0	0.0	0.0
Total or Average	27.8	32.5	18.8	0.0	15.8	0.0	4240	0.30	5801.3	-4.48	458.8	23.01	1184.2	15.62	410.3	34.26	853.9	19.27	0.0	1241.2	0.30	273.6	-100.0	-19.0

Notes: SUSm average 1990-2 for financial variables; Government revenue excludes grants; '000' for employment Imports and exports valued fob; Average tariff uses import weights; D: Domestic demand;

SM: Import competing production; MS: imports from SADC; MR: Imports from the ROW; ES: Exports to SADC; ER: Exports to the ROW; dBOP: change in Balance of Payments;

L: Labour employed; CR: Customs Revenue; GR: Government Revenue; tMS1,M: Tariffs, SADC, initial, import weighted; tMS2,M: Tariffs, SADC, initial, import weighted, final; tMR1,M:

Tariffs, SADC, initial, import weighted, R: ROW.

## **ACRONYMS AND ABBREVIATIONS USED**

CGE	Computable General Equilibrium
CU	Customs Union
CUavg	Customs Union with external tariffs based on average tariffs for each traded item across countries
Cumax	Customs Union with external tariffs based on the traded item maximum tariff for each traded item across member countries
CUmin	Customs Union with external tariffs based on the traded item minimum tariff for each traded item across member countries
FT	Free Trade
FTA	Free Trade Area
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
IDRC	International Development Research Centre
MFN	Most Favoured Nation
OR	Open Regionalism
ROW	Rest of the World
RTMSA	Regional Trade Model of Southern Africa
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADCC	Southern African Development Co-ordination Conference
SAP	Structural Adjustment Programme
WTO	World Trade Organisation

## **SADC COUNTRIES INCLUDED**

Angola

Malawi

Mauritius

Mozambique

Tanzania

Zambia

Zimbabwe

## **SACU COUNTRIES**

Botswana

Lesotho

Namibia

South Africa

Swaziland

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